Union Calendar No. 634 | 102d Congress, 2d Session | H. Rept. No. 102–1

United States House of Representatives
102d Congress, 2d Session

JOINT REPORT

OF THE

TASK FORCE TO INVESTIGATE CERTAIN ALLEGATIONS CONCERNING THE HOLDING OF AMERICAN HOSTAGES BY IRAN IN 1980

("October Surprise Task Force")



Lee H. Hamilton, Chairman
Henry J. Hyde, Ranking Republican Member

January 3, 1993—Committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Washington, DC

For sale by the U.S. Government Printing Office
Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328

Task Force Members

LEE H. HAMILTON, Indiana, Chairman
HENRY J. HYDE, Illinois, Ranking Republican Member

STEPHEN J. SOLARZ, New York
SAM GEJDENSON, Connecticut
MERVYN M. DYMALLY, California
ROBERT G. TORRICELLI, New Jersey
HOWARD L. BERMAN, California
EDWARD F. FEIGHAN, Ohio
TED WEISS, New York

JIM LEACH, Iowa
OLYMPIA J. SNOWE, Maine
DOUG BEREUTER, Nebraska
PORTER J. GOSS, Florida

E. Lawrence Barcella, Jr., Chief Counsel
Richard J. Leon, Chief Minority Counsel

CONGRESS OF THE UNITED STATES, TASK FORCE TO INVESTIGATE CERTAIN ALLEGATIONS CONCERNING THE HOLDING OF AMERICAN HOSTAGES BY IRAN IN 1980 ("OCTOBER SURPRISE TASK FORCE"),

Washington, DC, January 3, 1993.

THE HONORABLE THOMAS S. FOLEY,
Speaker of the House, U.S. Capitol,
Washington, D.C. 20515

DEAR MR. SPEAKER:

Pursuant to the provisions of House Resolutions 258 and 585 102nd Congress, Second Session, we transmit herewith the *Joint Report of the Task Force of Foreign Affairs Committee Members To Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980.* The report includes findings, conclusions and recommendations, with additional minority views, and appendices and exhibits. The Task Force also is filing an appendix containing classified information with the Permanent Select Committee on Intelligence.

The report was approved unanimously by the Task Force on December 10, 1992.

Sincerely,

LEE H. HAMILTON,
Chairman.

HENRY J. HYDE,
Ranking Minority Member.

MAJORITY STAFF

E. Lawrence Barcella, Jr.
Chief Counsel

Michael F. Zeldin
Deputy Chief Counsel

Nancy A. Luque
Senior Associate Counsel

Anne E. Pings
Associate Counsel

Lisa A. Rich
Staff Assistant

Valri D. Couser
Staff Assistant

Sotiris A. "Ted" Planzos
Associate Counsel

Mark L. Shaffer
Associate Counsel

Eleni C. Planzos
Senior Legal Assistant

Richard C. Lewis
Press Secretary and
Legislative Assistant

MINORITY STAFF

Richard J. Leon
Chief Minority Counsel

John P. Mackey
Minority Staff Director
and Special Counsel

Gregory W. Kehoe
Deputy Chief Minority Counsel

Julia W. Gaines
Minority Staff Assistant

David H. Laufman
Senior Associate Minority
Counsel

Gregory A. Paw
Associate Minority Counsel

TASK FORCE STAFF

Michael W. Cook
Chief Clerk/Administrator

Paul M. Joyal
Security Specialist

Charles Ratcliff
Computer Specialist

Investigators
Richard A. Pedersen
Thomas D. Baumgardner
Roger J. Bemdle
Douglas R. Edmonson
Vann F. Flemming
Elizabeth Jane Hemenway
Larry J. Mitchell
Harry A. Penich

ASSOCIATE STAFF

Mr. Hamilton
Michael Van Dusen
David Weiner

Mr. Solarz
Stanley Roth

Mr. Gejdenson
John Scheibel

Mr. Dymally
Marwan Burgan

Mr. Torricelli
Vic Johnson

Mr. Berman
Amit Pandya
Eric Lief

Mr. Feighan
Neil Levine

Mr. Weiss
Roger Ervin

Mr. Foley
Michael O'Neil

Mr. Hyde
Lester Munson

Mr. Leach
James McCormick

Ms. Snowe
Kenneth L. Peel

Mr. Bereuter
Michael Ennis

Mr. Goss
Michael Dietrich
Wendy Donath

Mr. Michel
Ted Van Der Meid

Contents

I. **Introduction** 1
A. Prefatory Comments 1
B. Task Force Organization and Structure 1
1. Legislative History 1
2. United States Senate October Surprise Probe 2
3. Legislative Mandate 2
II. **Executive Summary** 5
A. Findings and Conclusions 5
1. Conduct of Investigation 5
2. Standard of Review 6
3. Conclusions 7
III. **Standard of Review and Memorandum of Understanding** 13
A. Standard of Review 13
B. Memorandum of Understanding 14
IV. **Evidence Gathering and Investigative Process** 15
A. Testimony 15
B. Documents 15
1. Acquisition of Classified and Non-Classified Federal Government Documents 16
a. Central Intelligence Agency (CIA) 16
b. Department of Defense (DOD) 16
(i) National Security Agency (NSA) 16
(ii) Defense Intelligence Agency (DIA) 16
c. Department of Justice (DOJ) 16
(i) Federal Bureau of Investigation (FBI) 17
d. Department of State 17
e. Department of Treasury 17
(i) Customs Service 17
f. Federal Election Commission (FEC) 18
g. General Accounting Office (GAO) 18
h. House of Representatives Committee on Post Office and Civil Service Subcommittee on Human Resources ("The Albosta Committee") 18
i. National Security Council (NSC) 18
j. Office of the Independent Counsel (Iran-Contra) 18
k. Senate Intelligence Committee 18
2. Acquisition and Review of Electronic Media 18
a. FBI Tapes of Surveillance of Cyrus Hashemi 18

3. Acquisition of Documents at Presidential Libraries 19
a. Carter Library 19
b. Reagan Library 19
4. Acquisition of Privately Held Documents 19
a. Cyrus Hashemi 20
b. William J. Casey 20
(i) Casey's Calendars 20
(ii) Casey's Passports 21
(iii) The "Hostages" File 21
(iv) Casey Personal Documents at Langley 22
c. John Shaheen 23
d. Abol Hassan Bani-Sadr 24
e. Gunther Karl Russbacher 25
f. Richard J. Brenneke 25
g. James A. Baker, III 25
h. Others 25
C. Assistance from foreign countries including Algeria, Germany, Great Britain, France, Iran and Israel 25
D. Foreign Hotel Records 26
E. Assistance from Journalists/Writers/Reserchers 26
V. **Historical Overview of the Hostage Crisis** 29
A. Iran: Historical Perspective 29
1. The Path to Revolution: 1963–1979 30
a. Reaction to Revolution: American Foreign Policy and the Fall of the Shah 30
b. The Birth of the Islamic Republic of Iran: 1979–1980 30
c. Events Leading to Embassy Seizure 31
2. The Election of a President and a Majlis 32
3. The Islamic Government's Motives in the Hostage Crisis 33
B. United States Response to the Crisis 33
1. Official Communication Channels 34
a. The Swiss 34
b. The PLO 35
c. The United Nations 35
d. International Court of Justice 36
2. Private Channels 36
a. Cyrus Hashemi 36
b. Professor Richard Cottam 39
c. The French Lawyers and Ghotzbadeh 40
d. Sadegh Tabatabai 42
C. The Banking Channel and Final Negotiations 44
1. Record of the Negotiations 45

2. Delays 45
a. January 19, 1981 45
(i) Ali Reza Nobari 45
(ii) John Hoffman 46
(iii) Algerian Negotiators 48
(iv) Warren Christopher 49
(v) Robert Carswell 50
b. January 20, 1981 50
(i) Introduction 50
(ii) Ali Reza Nobari 51
(iii) John Hoffman 51
(iv) The Algerians 51
(v) Warren Christopher 52
(vi) Robert Carswell 52
D. Conclusion 52
VI. **Evolution of Allegations** 61
VII. **Alleged Contacts Between 1980 Reagan Campaign Officials and Representatives of the Iranian Government** 71
A. Introduction 71
B. Meetings in Madrid During the Summer of 1980 71
1. The Allegations 71
2. Evidence Alleged to Support Jamshid Hashemi's Story 73
a. Records from the Plaza Hotel 73
b. Casey's Attendance at London Conference 74
c. Corroborating Testimony 75
(i) Admiral Ahmed Madana 75
(ii) Arif Durrani 75
(iii) Heinrich Rupp 75
(iv) Ari Ben-Menashe 75
(v) Richard Babayan 76
(vi) Houshang Aryanpour 77
(vii) Abol Hassan Bani-Sadr 78
(viii) Sadegh Ghotbzadeh 80
d. References to Madrid on Electronic Surveillance 82
3. Evidence Tending to Refute the Allegations 82
a. Whereabouts of Alleged Participants 82
(i) Cyrus Hashemi 83
(ii) William Casey 85
(iii) Donald Gregg 92
(iv) Mehdi and Hassan Karrubi 93
b. Prosecution of the Hashemi Brothers 94

c. Actual Testimony of Individuals Said to Corroborate Jamshid Hashemi 95
(i) Ahmed Madani 95
(ii) Arif Durrani 96
(iii) Heinrich Rupp 96
(iv) Ari-Ben-Menashe 97
(v) Richard Babayan 99
d. Jamshid Hashemi's Lack of Credibility 100
4. Conclusions 102
C. March 1980 Meeting at Mayflower Hotel 104
1. The Allegations 104
2. Evidence Tending to Disprove the Allegations 104
D. Spring 1980 Meeting in New York with Donald Gregg 105
E. Dirk Stoffberg/Reiner Jacobi 105
1. Allegations 105
2. Analysis of Allegations 106
F. Miscellaneous European Meetings 107
1. Amsterdam—September 1980 107
2. Zurich—September, 1980 108
3. Zurich/Paris—September and October, 1980 108
G. The Meeting at the L'Enfant Plaza 109
1. Allegations 109
a. News Accounts 109
b. Ben-Menashe/Lavi Allegations 110
(i) Ari Ben-Menashe 110
(ii) Houshang Lavi 111
c. The Meeting 112
(i) Robert McFarlane 112
(ii) Rhett Dawson 113
(iii) Laurence Silberman 113
(iv) Richard Allen 115
(v) C. Michael Butler 116
2. Conclusion 116
H. Alleged Dinner Between Edwin Meese and Cyrus Hashemi 118
I. Meeting at Sherry Netherland Hotel in New York 119
1. The Allegations 119
2. Conclusion 119
J. Other Possible Contact Between Casey and the Hashemi Brothers 119
1. John Shaheen: An Intermediary? 119
a. Who Was John Shaheen? 120
b. Shaheen's Relationship with Caseh 120
c. Shaheen's Relationship with Cyrus Hashemi 120

d. Shaheen's Interest in the 1979–81 Hostage Crisis 121
2. References to William Casey by Cyrus Hashemi 123
a. Electronic Surveillance of Hashemi 123
(i) Conversation with Houshang Aryanpour 123
(ii) Conversation with Mahmoud Moini-Eraghi 124
(iii) Conversation Between Alanna Torres and O. Jackson Cook 125
b. Reported Statements to Admiral Ahmed Madani 125
3. Conversations Between Cyrus and Jamshid Hashemi 126
a. January 20, 1981 126
b. February 9, 1981 127
4. Attempts to Ward Off Indictment 128
5. Purported Real Estate Transaction in 1979 129
VIII. **Alleged Attempts to Delay the Release of the American Hostages** 147
A. The Alleged Meetings in Paris 147
1. The Allegations 147
2. Persons Claiming Personal Knowledge of the Paris Meetings 148
a. Ari Ben-Menashe 148
b. Richard J. Brenneke 149
c. Heinrich Rupp 152
d. Gunther Russbacher 154
e. Oswald LeWinter 154
3. Persons Claiming or Alleged to Have Second-Hand Knowledge 156
a. Jamshid Hashemi 156
b. Houshang Lavi 157
c. William Herrmann 159
d. Hamid Nagashan 162
e, Abol Hassan Bani Sadr 163
f. Francois Cheron 164
g. Christian Bourguet 164
h. Nicolas Ignatiew 165
i. Ahmed Salamatian 166
j. Investigative Reporters 167
k. de Marenches and de Marolles 168
4. Documentary Evidence 169
a. The Hotel Ritz Paris 169
b. The Hotel Raphael 169
c. Paris Hilton 169
d. Hotel Waldorf-Florida 169
5. Evidence Which Tends to Refute the Allegations—The Whereabouts of Principle Parties 169
a. The Whereabouts of William Casey 169
b. The Whereabouts of Cyrus Hashemi 171

c. The Whereabouts of Donald Gregg 171
d. The Whereabouts of Robert Gates 172
e. The Whereabouts of George Bush 172
B. Ronald Reagan Statement 173
C. Conclusion 175
IX. **Investigation of Any Activity by the 1980 Reagan Presidential Campaign to Acquire or Disseminate Any Information Relating to the Actions Being Taken or Considered by the United States Government to Obtain the Release of the Hostages** 183
A. Background 183
B. Reagan Campaign Activities to Acquire Information About the Hostage Crisis 185
1. The Campaign Operations Center 185
2. Robert Garrick's Monitoring Activities 186
C. Reagan Campaign Activities to Disseminate Information About the Hostage Crisis 187
1. The October Surprise: The Reagan Inoculation Strategy 187
2. The October Surprise Group 187
3. Skyline Towers Group 188
4. Other Media Strategy Activity 188
D. Specific Allegations of Access to Non-Public Material 190
1. Information Concerning the Shah's Assets 190
2. Information Concerning the Iran-Iraq War 190
3. Information on the Second Rescue Mission 190
4. Information on Partial Release of Hostages 191
5. Information on the Location of the Hostages 192
6. WLS Report 192
7. ABC XYZ Memo 193
8. Herbert Cohen Contacts 193
9. Evans and Novak Column 194
X. **Alleged Quid Pro Quo Deliveries of Arms** 199
A. Allegations 199
B. Israel-Iran Relationship 199
1. Overview 199
2. The Fall of the Shah 200
3. Israel, Iran, and the Carter Administration 201
4. The Initial Israeli Request to Sell Arms, April 1980 201
5. The Iran-Iraq War 201
6. Israel's Second Request to Sell Arms, October 22, 1980 202
7. Israel's Third Request to Sell Arms 203
8. Israel, In and the Reagan Administration 205
9. Israel Renews Request to Sell Arms, January 1981 205

10. United States Considers the Transfer of Arms to Iran 209
C. Department of Defense 214
D. October 22–23, 1980, Arms Deal 216
1. Overview 216
2. Background 216
3. Participants 216
a. Roger Faulques 216
b. Pierre Gaudinat 217
c. Jacques Montanes 218
d. Ahmed Heidari 220
E. Miscellaneous Arms Deals 222
1. Allegation by William Herrmann 222
2. Allegation by William Northrop 224
3. Allegation by Arif Durrani 225
F. Conclusion 225
XI. **Actions Taken to Keep Alleged Actions From Being Revealed to the American People** 231
A. Termination of the FISA Surveillance 231
B. The Alleged "Tip Off" which Enabled Cyrus Hashemi to Evade Process in a Foreign Country 232
C. Efforts to Dismiss the Case Against Hashemi 233
1. Gray Mail Efforts to Hashemi's Counsel 233
2. Efforts to Dismiss the Case Against Hashemi in Exchange for Future Assistance to the CIA 233
3. Hashemi's Assistance to the Customs Service 234
D. Death of Cyrus Hashemi 235
E. Failure to Report the L'Enfant Plaza Meeting 236
XII. **Joint Recommendations** 239
XIII. **Task Force Budget, Rules and Procedures** 241
A. Budget 241
B. Staff 241
1. Majority Staff 241
2. Minority Staff 242
3. Investigative Agents 243
4. Task Force Staff 243
C. Rules 243
D. Security Measures 244
E. Office Space and Equipment 244
Additional Minority Views 247
Unclassified Appendix 251

I. Introduction

A. Prefatory Comments

For nearly a year leading up to the passage of House Resolution 258 on February 5, 1992, journalists, scholars, former government officials, executive branch officials and members of Congress heatedly debated the allegations that motivated this investigation. The serious implications of the allegations—generally that members of the 1980 Reagan/Bush campaign met secretly with Iranian nationals to delay the release of American Embassy personnel then being held hostage in Iran—lent added importance to the debate. Prior to becoming the Task Force's Chairman, Congressman Lee Hamilton stated,

> If the allegations are true, we would do a serious disservice to the country if we failed to pursue a formal inquiry. If the allegations are false, we would do a disservice to those who have been accused of misconduct if we failed to go forward, because the passage of time has already shown that the charges are not going to fade away.[1]

One overriding consideration has directed this investigation: that it be conducted in as balanced, professional, dispassionate, and bipartisan a manner as possible. The individuals who took positions on the October Surprise allegations did not have access to records, witnesses, and materials that would be available to the Task Force. Our hope was that, once all appropriate witnesses were interviewed, most under oath; all available documentation was gathered, reviewed, and analyzed; all available classified intelligence matter was reviewed and analyzed; and the results of previously unavailable oral and wire intercept communications were reviewed, the facts would speak for themselves with little or no editorial characterization. To a large extent, we believe we have met that goal. This report details the course of our investigation since the passage of House Resolution 258, and explains why either wholly insufficient or no credible evidence exists to substantiate the allegations that form the October Surprise theory.

B. Task Force Organization and Structure

1. Legislative History

The Task Force of Members of the Foreign Affairs Committee to Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980 (hereinafter Task Force) was formed on February 5, 1992, with the adoption of House Resolution 258 by the House of Representatives.

In reporting the resolution to the House of Representatives, the House Committee on Rules provided the following background on the events which led to the formation of the Task Force:

> By the fall of 1980, fifty-two Americans had been held hostage in Iran for nearly a year. Securing the release of these hostages was an issue at the forefront of the 1980 presidential race between then incumbent Jimmy Carter and the Republican candidate Ronald Reagan. Despite President Carter's effort to free the hostages prior to the November election, the hostages were not released until January 20, 1981, shortly after Ronald Reagan's inauguration.
>
> In recent months, allegations have been made in the media and elsewhere that in the fall of 1980 individuals as-

sociated with the campaign organization of presidential candidate Ronald Reagan conspired with representatives of the Iranian government to delay the release of United States hostages until after the election, in exchange for the sale of arms to the government of Iran.

Allegedly, this secret agreement was made to prevent presidential incumbent, Jimmy Carter, from accomplishing an "October Surprise", an election-eve hostage release that would likely have bolstered his campaign.

On August 5, 1991, Speaker of the House Thomas Foley and Senate Majority Leader George Mitchell announced that they had requested House and Senate committees to conduct separate but parallel investigations into these allegations.[2]

Pursuant to Section 1 of House Resolution 258, the Speaker appointed the following Democratic members of the House to the Task Force: Mr. Hamilton of Indiana, Chairman, Mr. Solarz of New York, Mr. Gejdenson of Connecticut, Mr. Torricelli of New Jersey, Mr. Dymally of California, Mr. Berman of California, Mr. Feighan of Ohio, and Mr. Weiss of New York.[3]

After consultation with the Republican Leader, the Speaker also appointed the following Republican members of the House to the Task Force: Mr. Hyde of Illinois, Mr. Leach of Iowa, Ms. Snowe of Maine, Mr. Bereuter of Nebraska, and Mr. Goss of Florida.

2. United States Senate October Surprise Probe

The Near East and South Asia Subcommittee of the Senate Foreign Relations Committee retained a special counsel to conduct an October Surprise investigation and released a report of its findings on November 23, 1992. To the extent appropriate, the Task Force coordinated its efforts with the Senate probe to avoid unnecessary duplication of effort and to reduce inconvenience to witnesses. This coordination between the two inquiries was consistent with the Task Force mandate and rules.

3. Legislative Mandate

The Task Force was authorized to conduct a thorough and complete investigation and to make such findings as warranted by the evidence—including a finding, if appropriate, that no credible evidence exists to support a specific allegation—with respect to the following matters:

(a) Communications by or on behalf of the 1980 Reagan Presidential Campaign, or individuals representing or associated with that campaign, with any person or persons representing or associated with Iranian Government or those persons with Iran holding Americans as Hostages during 1979 and 1980;

(b) Any attempt or proposal to attempt, by the 1980 Reagan Presidential Campaign or persons representing or associated with that campaign, to delay the release of the Americans held as hostages in Iran;

(c) Any activity by the 1980 Reagan Presidential Campaign to acquire or disseminate any information relating to actions being taken or considered by the United States Government in an effort to obtain release of the Americans being held as hostages in Iran;

(d) Any sale or other transmittal of arms, spare parts or other assistance to Iran, in 1980 or thereafter, by any person or nation, intended to delay the release of Americans held as hostages by Iran, and any approval, acquiescence or knowledge of such sales or transmittals by the 1980 Reagan Presidential Campaign or persons representing or associated with the campaign; and

(e) Any actions taken to keep communications or actions as described above, if any such actions or communications took place, from being revealed to the Government of the United States or the American people.[4]

In addition, the Task Force was further authorized to make such recommendations to the Committee on Foreign Affairs as it deemed appropriate including recommendations concerning the possible amendment of existing legislation or the enactment of new legislation. The Task Force had no other investigatory authority and therefore scrupulously avoided unnecessarily inquiring into related but separate issues.[5] Task Force counsel determined at the outset that, given the limited time period within which the Task Force had to complete its investigation, examining other issues would divert resources from our central focus.

Endnotes

1. Floor Statement of Rep. Lee H. Hamilton (Feb. 5, 1992) at 4-5 (in support of H. Res. 258). *See* Appendix at 1-3. The Task Force has prepared an unclassified appendix and a classified appendix containing unredacted classified documents. The page references to the appendix are the same in both the classified and unclassified appendix. Hereinafter the appendices will be referred to as "App.".

2. H.R. Rep. 102-296, 102nd Cong., 1st Sess., pt. 1, at 4-5 (1991).

3. The Task Force wishes to express its sorrow at the loss of Congressman Ted Weiss, who passed away last September. Ted was a man of unusual intelligence, compassion, and integrity. He was a voice of conscience on the Foreign Affairs Committee, where he earned a reputation as one of Congress' most ardent advocates of a just American foreign policy. Ted made a valuable contribution to the Task Force during the seven months he served on it. As a colleague and as a friend, Ted will be deeply missed.

4. H. Res. 258.

5. Areas that touched on our investigation but which the Task Force avoided included such things as: (1) evaluating the effectiveness of the Carter administration's handling of the hostage crisis; (2) analyzing the impact of the hostage situation on internal United States politics; and, (3) examining the relationship between the October Surprise allegations and other investigations such as Inslaw and Iran-Contra.

II. Executive Summary

A. Findings and Conclusions

1. Conduct of Investigation

The House October Surprise Task Force with an authorized budget of $1.35 million was fully staffed to investigate thoroughly the October Surprise allegations. Ten attorneys and six professional investigators on loan from various law enforcement agencies were employed by the Task Force throughout the duration of the investigation.

With a few exceptions [1] the Task Force located and interviewed nearly all the individuals around the world who claimed either to have participated in, or have knowledge of, the alleged events. The Task Force interviewed and/or deposed more than 230 people. Interviews were conducted across the United States as well as in Algeria, Belgium, France, Germany, Italy, Portugal, South Africa, Spain, Switzerland and the United Kingdom.

The Task Force also had direct access to voluminous documents which had heretofore been unavailable to the scores of investigative reporters and authors who have examined these allegations. The Task Force received and reviewed tens of thousands of documents from the Department of State; the Department of Defense, the Central Intelligence Agency, the National Security Council, and from other executive branch agencies. The Task Force staff was particularly fortunate to have had access to the FBI's electronic surveillance tapes of Cyrus Hashemi and others in the September 1980–February 1981 time period, as well as critical telephone toll records for the summer of 1980 from Cyrus Hashemi's residence and the residence and office of his lawyer, Stanley Pottinger. The Hashemi electronic surveillance included over 21,000 recorded conversations on 548 tapes. With coverage that comprehensive, what did not appear was often as important as what did appear. Further, the Task Force had access to a significant collection of intelligence community material which often filled in holes in the factual record and corroborated testimony. This intelligence material included thousands of raw, unredacted documents from the CIA, NSC, and National Security Agency (NSA). The Task Force also obtained access to documents and evidence gathered during previous congressional investigations such as the Iran-Contra and Debategate inquiries. Likewise, the Task Force obtained access to the privately held documents of many of the individuals involved in the October Surprise allegations. This material included hundreds of pages of documents from foreign private citizens, former government officials of Iran, foreign journalists, former Reagan-Bush campaign officials, the families of deceased individuals (including William Casey) and many others. The Task Force also obtained public service documents available from various electronic information networks, the Foreign Broadcast Information Service, and the Library of Congress. In the final analysis, the Task Force staff expended thousands of hours reviewing and analyzing these materials.

While these documents and materials did not establish to a certainty each person's whereabouts or activities on every single day during the relevant period, or conclusively resolve all of the October Surprise questions, when combined with certain sworn testimonial evidence and related government documents they made it possible for the Task Force to reach with confidence the conclusions in this report. In fact, they dictated the conclusions that follow.

The Task Force believes that it has conducted the most thorough and complete investigation and analysis of the October Surprise allegations to date. This report does not and could

not analyze or report every single lead that was investigated, every single phone call that was made or received, every single contact that was initiated. Similarly, the Task Force did not resolve every single one of the scores of curiosities, coincidences, sub-allegations or unanswered questions that have been raised over the years and become part of the October Surprise literature. The Task Force concluded that attempting to "prove a negative"—or in this case many of them—would indeed be a fool's errand that would satisfy no one and serve no useful purpose. Given the time available to it, the Task Force fully investigated all of the principal allegations and most of the less significant ones before it reached the conclusions contained in this report.

It is worth noting that the work of the Task Force simultaneously benefited from and was handicapped by the passage of twelve years since the period during which the October Surprise events were said to have occurred. The Task Force benefited from the fact that it could, when investigating the complicated world of Iranian politics during the 1979–1981 period, draw upon years of historical analysis and the clarity of hindsight. For example, the Task Force was able to evaluate the stops and starts of the formal U.S.-Iranian hostage negotiations without having to guess blindly as to the underlying political reasons for these interruptions. In this respect, the Task Force benefited from the insight of several Iran scholars who were periodically consulted by the Task Force on discreet areas of inquiry.

The passage of time also sometimes prevented the Task Force from acquiring records that could have confirmed the whereabouts of several alleged participants in the October Surprise scenario. This was principally because many of the records generated by businesses—such as credit card receipts and telephone bills, tickets and expense vouchers—are routinely destroyed after several years. As a consequence, the Task Force was unable to determine conclusively all the movements of several of the principal protagonists with irrefutable documentary evidence. This inability to obtain certain records did not affect the quality or content of the conclusions ultimately reached by the Task Force.

Before summarizing its conclusions, the Task Force believes it necessary to describe the standard which guided its evaluation of the evidence it reviewed.

2. Standard of Review

The principal allegations that were the focus of this investigation are extraordinarily serious and strike at the heart of the constitutional government of this country. The suggestion, in essence, that leaders of one of our two principal political parties would attempt to "steal" a presidential election by seeking to prolong the incarceration of fellow American citizens by foreign terrorists is little short of treachery. If true, it would not only call into question the legitimacy of an entire presidency, but expose a series of heinous acts unparalleled in the history of the American political system. While such conduct might be expected in certain dark corners of the world, it would be wholly beyond the wildest excesses in our constitutional history. But if these allegations are not true, the cloud that has settled over the reputations of those alleged to have been involved must be lifted.

Accordingly, in evaluating the testimonial and documentary evidence gathered to determine whether there was any credible evidence tending to support these allegations, the Task Force was very careful to determine:

1. Whether the evidence was from a credible source;

2. Whether the evidence was independently corroborated;

3. Whether the evidence was handicapped by internal inconsistencies;

4. Whether the evidence was inconsistent with other more credible evidence; and

5. Whether the evidence had probative value.

Furthermore, the Task Force particularly focused on certain contemporaneous documentary evidence, the creation and contents of which were clearly independent of and relevant to the events alleged. The Task Force benefited from the extensive law enforcement experience of its professional staff in evaluating the testimony, motives, and conduct of witnesses who had made significant allegations after they had

either been indicted, tried, or incarcerated in the American criminal justice system. The Task Force also was sensitive to the fact that witnesses to the same event often describe that event differently due to variances in recollection, perception and personal biases. Indeed, often the most difficult witness to evaluate is the one who is telling the truth, but for a variety of reasons, may be mistaken as to the facts he is describing.

Because this was not a criminal investigation, the Task Force did not apply to these allegations strict evidentiary standards of admissibility or a burden of proof beyond a reasonable doubt. Rather, it focused on collecting and evaluating whatever evidence it could obtain relating to these allegations in an effort to determine if there was any credible evidence tending to support these allegations, and if so, how much. The Task Force only reached a conclusion or made a finding after determining that there was substantial credible evidence to support it.

3. Conclusions

The following are the bipartisan conclusions the Task Force reached regarding the five inquiries mandated by its authorizing legislation, House Resolution 258:

> (1) *There is wholly insufficient credible evidence of any communications by or on behalf of the 1980 Reagan Presidential campaign with any persons representing or connected with the Iranian government or with those holding Americans as hostages during the 1979–1981 period.*

The Resolution directed the Task Force to determine whether there was any credible evidence of communications by or on behalf of the 1980 Reagan Presidential Campaign, or individuals representing or associated with that campaign, with any person or persons representing, or associated with, the Iranian government, or with those persons in Iran holding American hostages during the 1979–1981 period. This directive primarily concerns certain alleged meetings in 1980 between Reagan campaign officials and Iranian government representatives in Madrid and Washington.[2] In each case, the Task Force met with the living alleged participants in, or proponents of, these allegations including: Jamshid Hashemi; Ahmed Madani; Arif Durrani; Heinrich Rupp; Ari Ben-Menashe; and Richard Babayan. In addition, the Task Force was able to obtain invaluable documentary evidence relating to the whereabouts of the participants (living and dead) alleged to have been at these meetings, including the original records from the Plaza Hotel in Madrid, calendars of some alleged participants, telephone toll records, as well as certain credit card bills and receipts. Based upon these interviews, and a thorough review of the documents, the Task Force has concluded that there is wholly insufficient credible evidence of any communications by or on behalf of the Reagan Presidential campaign with any persons representing or connected with the Iranian government or with those holding American hostages during 1979–1981.

Specifically, with respect to the alleged meetings in Madrid, the Task Force found that the evidence allegedly supporting each of these meetings was neither from credible sources nor corroborated. That is, of the five individuals, in addition to Jamshid Hashemi, who were alleged to have independent knowledge of the Madrid meetings, three (Madani, Durrani, and Rupp) testified under oath that they had no knowledge of the meetings. The Task Force found the testimony of Babayan and Ben-Menashe to be wholly lacking of any credibility. In addition, the Task Force found that other evidence said to support the Madrid meetings was either of limited probative value or inconsistent with credible evidence which indicated that the meetings had not occurred. For example, the hotel records, which could be said to corroborate the presence of Jamshid Hashemi in Madrid are not by themselves proof of any other individual's presence when balanced against other evidence. Telephone toll records from Cyrus Hashemi and his attorney, as well as his attorney's notes, renders unlikely Cyrus Hashemi's presence in Madrid. Similarly, the Task Force found no evidence establishing that Reagan campaign manager William J. Casey was in Madrid rather than in London attending a conference. Furthermore, overwhelming evidence indicates that the preceding weekend (July 25 to July 27, 1980) Casey attended the Bohemian Grove encampment and then flew to London; arriving on July 28 and remaining in

London until he returned to the United States on July 29, 1980.

With respect to the allegation that the L'Enfant Plaza meeting was for the purpose of discussing an October Surprise deal, the Task Force concluded that those allegations by Houshang Lavi and Ari Ben-Menashe, concerning their participation in and description of the meeting, are internally inconsistent and not credible. The testimony of Lavi's attorney, Mitchell Rogovin, as well as Rogovin's contemporaneous notes, further undercut Lavi's assertion that he participated in this meeting. Furthermore, the testimony of Lavi and Ben-Menashe is inconsistent with the more credible testimony of Richard Allen, Laurence Silberman and Robert McFarlane as to who was present and what actually happened in the meeting.

With regard to three additional meetings alleged to have occurred in 1980 and 1981 between certain Reagan campaign officials and Iranians at different hotels in New York, Washington, and London, the Task Force found no credible evidence as to the Washington and New York meetings and insufficient credible evidence as to the London meeting. The Task Force found the uncorroborated testimony as to each of the meetings to be the product of a non-credible source. The testimony was wholly inconsistent with the more credible testimony of those alleged to have been there and the circumstantial evidence strongly suggested that the alleged participants were elsewhere. In one of these instances, in fact, the source denied ever alleging the meeting took place.

Finally, in certain limited instances, the Task Force encountered evidence relating to possible communications between Republicans and Iranians in 1980 from sources that were either credible or whose credibility could not be assessed. In those instances, the probative value of the evidence was so limited that it did not tend to either support or undermine the occurrence of the possible communication. For example, it is worth noting that with regard to the meeting alleged to have taken place in Paris, discussed in this Report, the Task Force reviewed evidence of possible contacts between Republicans and Iranians offered in the public statements and writings of Sadegh Ghotbzadeh. It also spoke to those individuals with whom Ghotbzadeh himself had spoken about these alleged contacts. While the Task Force could not directly assess Ghotbzadeh's credibility, the Task Force determined that the basis for his beliefs may well be irrelevant to the October Surprise allegations. That is, as discussed fully in Section VII of the Report, Ghotbzadeh most probably was referring to earlier non-hostage related contacts made by Henry Kissinger and/or David Rockefeller on behalf of the Shah, and not by William Casey on behalf of the Reagan Presidential campaign when he spoke of Republican contacts. Thus, while Ghotbzadeh's statements may well be credible, they remain subject to interpretation. What is certain, is that he never offered corroborative evidence to those with whom he spoke and the Task Force found none. Accordingly, the Task Force concludes that there is wholly insufficient credible evidence to support the allegations of contacts between Republicans and Iranians.

> (2) *There is no credible evidence supporting any attempt or proposal to attempt, by the Reagan Presidential Campaign—or persons representing or associated with the campaign—to delay the release of the American hostages in Iran.*

Several individuals have alleged that William Casey and other Reagan campaign officials engaged in discussions with Iranians calculated to delay the release of the American hostages until after the 1980 election. These discussions are said to have occurred primarily in a series of meetings in Paris in October 1980.

The Task Force questioned under oath the witnesses who claimed to have relevant knowledge of these alleged meetings and reviewed any documentary evidence purporting to support the existence of these meetings. The Task Force found no credible evidence that the meetings took place as alleged. Particularly, the Task Force has found the testimony of those individuals claiming personal knowledge of the meetings to lack credibility.

The Task Force identified and investigated various allegations of an October meeting in Paris between representatives of the Reagan campaign and of the Iranian government. One of the most prominent accounts is attributed by numerous reporters and journalists to Ari Ben-Menashe. Another account has been given by Richard Brenneke. Variations have also been

given by Jamshid Hashemi, Houshang Lavi and others.

Ari Ben-Menashe made several allegations that proved to be factually incorrect. Documentary evidence showed that Ben-Menashe was not in Paris during the time period he had alleged. Brenneke's accounts of the meetings also were disproved by forensically examined documentary evidence that showed that he too was not in Paris during the period alleged. When deposed under oath by the Task Force, Jamshid Hashemi denied that he had any knowledge of a Paris meeting, that he had ever been told about a meeting, and that he had ever meant to say that he had such knowledge, even though numerous reputable journalists had attributed the story to him. Lavi's assertion that he and Cyrus Hashemi were in Paris is refuted by authorized wiretaps and the diary of Mitchell Rogovin, Lavi's lawyer. The testimony of others claiming personal knowledge of these events was impeached either by documentary evidence or, in the case of one, by an admission that he had fabricated his story. In addition to the absence of corroborative evidence to support them, their accounts are riddled with internal inconsistencies and are contradicted by a considerable amount of credible documentary evidence. The Task Force also found credible, consistent and corroborated Secret Service evidence demonstrating that Vice Presidential candidate George Bush was in Washington on the weekend in question, not in Paris, as has been alleged. Similarly, the presence of Donald Gregg in the United States rather than in Paris, as has been alleged, was verified during the investigation.

Finally, the Task Force concludes that to the extent there was any supporting evidence provided by parties claiming to have heard statements from others about such meetings, the information was either of limited probative value or far less compelling than the more credible evidence which suggested that the meetings had not occurred. Accordingly, the Task Force has concluded that there is no credible evidence supporting these delay allegations.

(3) *There is substantial credible evidence that individuals associated with the 1980 Reagan Presidential campaign did acquire and or disseminate information relating to actions being taken or considered by the United States government to obtain the release of the Americans being held as hostages in Iran.*

The Task Force has found that a number of Reagan Presidential Campaign staff members had obtained and/or disseminated information relating to actions being taken or considered by the United States government to obtain the release of the Americans being held as hostages in Iran. But the Task Force found no credible evidence that these campaign aides illegally sought or disseminated classified information.

The record further demonstrates that the Reagan campaign was very concerned with the impact a release of the hostages before the November election would have on the American electorate. Thus, they established both formal and informal working groups that concentrated on hostage related issues. Additionally, the Reagan campaign perceived that President Carter had manipulated the timing of a press statement on the hostage situation for political gain during the April 1980 Wisconsin primary. To insure that the hostage issue would not upset their campaign strategy, the Reagan campaign undertook a series of activities to remain abreast of the Carter administration's hostage-related activities. Included among the Reagan campaign activities was the purposeful monitoring of public source information concerning the hostage crisis. Reagan-Bush campaign foreign policy advisors often spoke with their counterparts in the executive branch to learn what information they could. In addition to monitoring information of developments concerning the hostage crisis, the campaign staff additionally conducted visual monitoring of certain military locations to determine whether it could detect any activities suggesting either a possible rescue mission, staging for the hostages' return, or shipment of military equipment in exchange for the hostages' release. The Reagan campaign staff also obtained non-public information regarding a variety of issues including the Iran-Iraq war, a possible second rescue mission, and the location of the hostages. The Task Force has found no credible evidence that these activities were illegal.

The Majority believes that legitimate questions can be raised about the campaign staff's failure to notify U.S. government officials about the receipt of certain "over the transom" conveyances of information, and about the trans-

mission of this information to selected media outlets to influence reporting on activities of the Carter administration. But, the Task Force found that none of the information received or disseminated was acquired or passed on for the purpose of undermining the Carter administration's efforts to gain the release of the hostages. Although the Majority believes that an argument can be made that some materials that were disseminated had an unintended impact on the hostage negotiations, the Task Force found insufficient credible evidence suggesting that Reagan campaign officials willfully received, obtained or disseminated classified information, the release of which might have jeopardized either the conducting of American foreign policy or the release of the hostages.

(4) *There is no credible evidence of any link between any sales or transmittals of U.S. arms, spare parts or other assistance to Iran with the release of American hostages in Iran.*

The central, and unifying allegation, among those the Task Force investigated was that the Iranians received arms from, or through, the Reagan Administration as a *quid pro quo* for delaying the release of the hostages. The Task Force investigated the specific transactions cited by the accusers, as well as the records of the various government agencies involved in maintaining and participating in all other arms transactions involving Iran in the pertinent time period. Based on this extensive review, the Task Force has concluded that there is no credible evidence linking the release of the hostages to any arms transactions with Iran.

First, as to the credibility of those alleging a link between the two, these witnesses were found to be unworthy of belief as to their allegations regarding arms sales. Further, in some cases, these accusers were contradicted by independent documentary evidence.

With respect to those arms transactions supposedly linked to the hostages, the Task Force interviewed and deposed most of the principles involved in those transactions. These individuals specifically denied any knowledge linking their sale with the hostages, and described the events surrounding each transaction in such a way as to obviate the possibility of linkage. That is, all of the participants in the October 23, 1980 sale of F-4 tires by Israel to Iran testified that this sale was a small part of a larger series of private arms deals the purpose of which was to make money for the arms brokers. They had no hostage-related ulterior motive for the sale. The Task Force found their testimony credible.

Moreover, the Task Force through its documentary evidence gathering process was able to review the United States government agency records relating to Iranian arms transactions during relevant periods. Interviews relating thereto clearly demonstrate that the myriad intelligence, defense, and foreign service personnel monitoring such transactions found no evidence of the *quid pro quo*" alleged.

Indeed, in the one instance in October 1980 where the Iranians had the opportunity to obtain military spare parts, among the other assets which President Carter would unfreeze upon the release of the hostages, they refused to pursue the opportunity despite the pressures of the Iraqi war. In the absence of credible evidence of a better deal by the Republicans, Iran's refusal to deal with the United States strongly suggests that the release of the hostages was a political decision inextricably linked to an array of complex internal factors.

Finally, the Task Force reviewed extensive cable traffic between the State Department and the U.S. Embassy in Israel, as well as the Embassy's contacts with the Israeli government, in an effort to determine whether the Reagan Administration might have secretly authorized Israel to facilitate post-release arms deals with Iran as a *quid pro quo.* This documentary review, combined with the sworn testimony of key Reagan and Carter administration officials, including career senior State Department officials and intelligence officers, conclusively established that the Reagan Administration upheld the arms embargo with Iran and encouraged its allies to do the same. An internal Israeli investigation conducted for the Task Force, corroborated the Task Force's findings. The Task Force concluded that arms transactions of the kind suggested by the allegations could not have occurred without many career intelligence and foreign affairs officers learning about them. Accordingly, the Task Force finds no credible evidence to support this allegation.

(5) *There is no credible evidence of any actions being taken by Reagan campaign of-*

ficials to keep any communications or actions from being revealed to the Government of the United States, other than in one instance about which the Majority and Minority disagree.

Allegations that Reagan campaign officials covered up certain communications or actions have been less central to the key allegations which prompted this investigation. A number of discrete events could be included under the umbrella of this mandate. As to those, the Task Force has concluded that these acts, in and of themselves, cannot convincingly be said to have been performed for the ulterior motive of concealing information of a supposed October Surprise deal or denying the U.S. government of information to which it was objectively entitled.

For example, it has been alleged that certain Reagan Administration law enforcement decisions (i.e., the termination in 1981 of the FBI's electronic surveillance of the Hashemi brothers, and the dismissing of the indictment against Jamshid Hashemi), were intended to cover up an October Surprise deal. Interviews with the principals involved, as well as a thorough review of the relevant documents, led the Task Force to conclude that these decisions were made for legitimate law enforcement reasons.

It has also been alleged that the sudden death of Cyrus Hashemi in 1986 was actually an assassination by an American Customs agent to prevent Cyrus from revealing the Reagan Campaign's 1980 arms for hostages deal. Again, as with the other law enforcement issues, there is no credible evidence to support this allegation and there is overwhelming evidence indicating that Cyrus Hashemi's death was, in fact, caused by natural causes.

In one instance, the Majority Members of the Task Force believe that Reagan campaign officials received information at the L'Enfant Plaza Hotel which should have been brought to the attention of the U.S. government, and that their failure to do so constitutes some credible evidence of "an action being taken . . . to keep [that information] from being revealed." On the other hand, given the nature and contents of this conversation, the Minority Members of the Task Force neither believe that these individuals were required by any objective standard to bring that information to the attention of the U.S. government, nor that their failure to do so constituted an "action" to conceal that information from the U.S. government. Regardless, both the Majority and Minority agree that contrary to what has been alleged, the purpose of the L'Enfant Plaza meeting was not connected to any attempt to affect the release of the American hostages.

Otherwise, both the Majority and Minority agree that there is no credible evidence indicating Reagan campaign officials kept communications of the kind described in the mandate from U.S. government officials.

Endnotes

1. The Task Force was denied entry into Iran. Israel conducted its own investigation after consulting with the Task Force. The results of its inquiry were forwarded to Task Force counsel.

2. For the purposes of this report, the Task Force considered the evidence of the Paris meeting in the section involving attempts to delay the release of the hostages (Section 2). This placement, while somewhat arbitrary, was made because the Paris meetings have always been alleged to have been the time at which the decision to delay the release date in exchange for promises of military equipment was finalized.

III. Standard of Review and Memorandum of Understanding

A. Standard of Review

The principal allegations that were the focus of this investigation are extraordinarily serious and strike at the heart of the constitutional government of this country. The suggestion, in essence, that leaders of one of the two principal political parties would even *attempt* to "steal" a presidential election by seeking to prolong incarceration of fellow American citizens by foreign terrorists is little short of outright treachery. If true, it would not only call into question the legitimacy of an entire presidency, but expose a series of heinous acts unparalleled in the history of the American political system. While such conduct might be expected in certain dark corners of the world, they would be wholly beyond the wildest excesses in our constitutional history.

Similarly, if these same principal allegations were not true, the cloud that settled over the reputations of those alleged to have been involved must be lifted.

Accordingly, in evaluating the testimonial and documentary evidence gathered to determine whether there was any credible evidence tending to support these allegations, the Task Force was very careful to determine:

1. Whether the evidence was from a credible source;

2. Whether the evidence was independently corroborated;

3. Whether the evidence was handicapped by internal inconsistencies;

4. Whether the evidence was inconsistent with other more credible evidence; and

5. Whether the evidence had limited probative value.

Moreover, the Task Force particularly focused on certain contemporaneous documentary evidence, the creation and contents of which were clearly independent and relevant to the events alleged. The Task Force was particularly mindful of the extensive collective law enforcement experience of its professional staff in evaluating the testimony, motives and conduct of those witnesses who had made substantial allegations in this matter after they had been either indicted, tried or incarcerated by the American criminal justice system. That same collective experience made us sensitive to the regularly occurring phenomena of multiple witnesses to the same event describing that event differently based on their own powers of recollection, perception and biases. The most difficult witness to evaluate is the one who is telling the truth, but for a variety of reasons, may be mistaken as to the facts they are describing.

Because this was not a criminal investigation, the Task Force did not concern itself with judging these allegations utilizing evidentiary standards of admissibility or burdens of proof beyond a reasonable doubt. Rather, it focused on collecting and evaluating whatever evidence it could obtain relating to these allegations in an effort to determine if there was any credible evidence tending to support these allegations, and if so, how much. In the course of that process, the Task Force only reached a conclusion or made a finding after determining that there was substantial credible evidence to support it.

As we indicated in our executive summary, the Task Force did not believe it would serve a useful purpose or satisfy common sense by

trying to "prove a negative." In other words, the Task Force set out to locate, review and analyze all evidence tending to show certain alleged activities occurred. We did not try to show that under no circumstances did the alleged activities not occur.

B. Memorandum of Understanding

To enable the Task Force to conduct a thorough, independent, and professional investigation, the chairman and ranking minority member asked the Departments of Justice and the Treasury to assign six experienced, special agents to the investigation. These agents provided outstanding support to the Task Force. In an effort to ensure that the inquiry would be conducted in as bipartisan a manner as possible, chief counsel and chief minority counsel agreed to a Memorandum of Understanding (MOU) with respect to the utilization of the agents detailed to the Task Force.[1] The MOU provided that the investigators assigned by Justice and Treasury would be a joint resource. It was also agreed that, all assignments to the investigators of the chief counsel and/or the chief minority counsel, would, for administrative purposes be made either by or through the chief counsel. In all cases, however, the chief counsel would provide timely notice to chief minority counsel of all investigative assignments. The MOU further provided that interviews would be conducted under oath only at the direction of the chief counsel upon consultation with the chief minority counsel, and that the schedule of interviews would be provided by the parties with sufficient advance notice to ensure attendance by both sides. Finally, the MOU provided that the investigators' interview reports would be completed expeditiously and would be furnished both to minority and majority staff simultaneously.

Endnote

[1] *See* App. at 4–5.

IV. Evidence Gathering and Investigative Process

A. Testimony

The overwhelming majority of the testimony was taken under oath. Both majority and minority staff counsel were present at all interviews and depositions. The testimony was either preserved by tape recorder or was transcribed by a certified court reporter provided by the Office of Official Reporters to Committees of the House of Representatives. Testimony was taken in either of two formats. Preliminary "discovery" inquiries were conducted in a less formal interview format, many under oath. Depositions were taken in a more formal question and answer format. The Task Force staff interviewed 230 individuals.

The Subcommittee on Near Eastern and South Asian Affairs of the United States Senate Committee on Foreign Relations authorized a limited investigation pursuant to a formally adopted "Guiding Principles for Investigation." To the extent appropriate, the Task Force coordinated its efforts with those of the Senate staff, primarily to avoid unnecessary duplication of effort, to lessen inconvenience to witnesses and generally to maximize efficiency and economy. To the extent that the Task Force and Senate investigators conducted joint interviews and shared information, the cooperation was effected in a manner consistent with this Task Force mandate and Rules. In addition, the Task Force had access to all the testimony taken by the Senate. We are grateful to the Senate staff for their assistance, diligence and analysis.

B. Documents

Documents were obtained from Federal agencies and from private individuals. Documents are identified by the name of the source and type of document. All documents received by the Task Force were stamped with a Bates identification number.

The Task Force sought relevant documents and information from various federal agencies. Nearly all the federal agencies contacted by the Task Force cooperated expeditiously with document requests.

Much of the information and documents sought by the Task Force had been created during 1979 and 1980. The October Surprise allegations did not surface until the mid-1980's, however. Because of the long evolution of the October Surprise story, executive branch agencies did not begin to organize their relevant information and documents in a manner consistent with the concerns of the Task Force until late 1991 in response to requests from either the Task Force or the White House Interagency October Surprise Working Group established by the White House in 1991 prior to the formal creation of the House October Surprise Task Force. The Task Force attempted to acquire from executive branch agencies all of the documents which they transmitted to the White House Inter-Agency Working Group on the October Surprise.

The Task Force also obtained an historical chronology of the internal politics of Iran prepared by an independent scholar, with review and assistance by a number of other Iranian experts.[1] The chronology provided an historical context essential for understanding the events and conduct evaluated by the Task Force. The Task Force elected to have the chronology prepared by an independent scholar in order to ensure its objectivity. Many Task Force witnesses linked their testimony to events in Iran. The chronology gave the Task Force an inde-

pendent baseline from which to evaluate witness statements.

1. Acquisition of Classified and Non-Classified Federal Goverment Documents

The Task Force sought relevant documents from numerous federal agencies. Although the pace and scope of cooperation varied by agency, most were generally cooperative, with some committing substantial resources to assist the Task Force.

The Task Force initially submitted written requests to Federal agencies based on information available in the public record. The agencies identified responsive documents and, with few exceptions, made them available for review. Security arrangements were made for review of classified documents. As the investigation progressed and the Task Force discovered new information, written or oral requests for additional documents were made. The Task Force also deposed relevant agency personnel regarding the nature and contents of many of the documents.

Some agencies permitted the Task Force to retain copies of pertinent documents, others did not. Review of highly classified documents was difficult logistically because the Task Force did not have a secure facility for storage of such documents until mid-December. As a result, staff were required to go to agency offices to review the documents or to rely on agency security personnel to bring documents to the Task Force office for review.

Upon the conclusion of the Task Force's business, most classified materials will be returned to their originating agencies. Task Force materials which contain classified information will become the records of the House Permanent Select Committee on Intelligence.

This report was reviewed by relevant agencies for disclosure of classified material. Where disclosure was a possibility, an effort was made to provide the relevant information in unclassified form. Pertinent classified information is preserved in the Classified Appendix.

a. Central Intelligence Agency (CIA)

The Central Intelligence Agency was highly responsive to requests for information and documents from the Task Force. The CIA provided unrestricted access by a limited number of Task Force staff to a wide variety of requested materials, including files maintained on several individuals relevant to the October Surprise allegations as well as internal memoranda and cables regarding various October Surprise related events. The open access provided by the CIA enabled the Task Force to assess meaningfully the credibility of the information provided. The CIA also made numerous current and former Agency employees available to the Task Force for interviews or depositions. The Task Force reviewed agency files on over 85 individuals, as well as sensitive operational files. The Task Force reviewed well over 5,000 pages of CIA documents. The combination of unedited access to documents and unrestricted access to current and former personnel was of substantial assistance to the Task Force.

b. Department of Defense (DOD)

Approximately 17,000 documents from 47 DOD organizations were provided to the Task Force for review. At the Task Force's request, DOD allowed the Task Force to retain copies of approximately 680 documents.

(i) National Security Agency (NSA)

The National Security Agency also responded fully and completely to Task Force requests, making available thousands of pages of unredacted, highly-classified material. This material provided significant corroboration to some Task Force conclusions. The agency also freely made available its relevant personnel to assist in our search and analysis.

(ii) Defense Intelligence Agency (DIA)

The Defense Department permitted the Task Force to review DIA reports that described alleged Iranian arms transactions. These reports assisted the Task Force in identifying over 25 countries from which arms were directly or indirectly sold to Iran.

c. Department of Justice (DOJ)

The Task Force was granted access to relevant files from the Department of Justice relating to legal proceedings involving Richard Brenneke, Dirk Stoffberg, Reiner Jacobi, Ari Ben-Menashe and the Hashemi brothers. The

Justice Department also made personnel available for informal interviews concerning the handling of certain cases. The Department maintained its highly rigid prohibition based upon a standing precedent regarding depositions from line prosecutors, but was responsive to acceptable alternatives.

(i) Federal Bureau of Investigation (FBI)

No agency was more responsive to document requests or provided more personnel assistance than the FBI. The Task Force made numerous requests to the FBI and all were promptly addressed with complete professionalism. FBI information reviewed by the Task Force included investigative files on Cyrus Hashemi, Jamshid Hashemi, and numerous other persons who said they witnessed or participated in October Surprise-related events.

The FBI also made available investigative files concerning its 1983–1984 investigation of the theft of the 1980 Carter campaign debate book. The Task Force reviewed the relevant portions of those investigative files and found it extremely valuable especially where interviews on relevant areas took place much closer in time to the events in question.

In addition, as discussed throughout this report, the FBI made records and analysis of its electronic surveillance logs and tapes of Cyrus Hashemi and others available to the Task Force as well as making available its forensic analysis laboratories.

d. Department of State

The Task Force submitted numerous document requests to the Department of State and reviewed well over 100,000 documents relating to the hostage crisis. The Task Force retained over 18,000 documents for further analysis. Documents reviewed included daily situation reports for the White House, documents relating to hostage negotiations, documents relating to United States policy regarding sale of arms to Iran, intelligence reports on arms shipments to Iran, cable traffic to and from United States embassies, internal memoranda and numerous telexes and handwritten notes. The State Department also assisted in locating retired personnel and arranging for those interviews and present employees as well.

e. Department of Treasury

The Department of the Treasury was the least responsive executive branch agency for the Task Force to deal with on document requests. Treasury's treatment of requests for Secret Service records was on occasion unnecessarily cumbersome. Its refusal to make some of the Secret Service agents available for interviews slowed the work of the Task Force.

The Task Force believes that the discrete issue of vice-presidential candidate George Bush's whereabouts in October, 1980 could have been more simply and easily resolved early in the investigation had the Treasury Department directed the Secret Service to respond in a more timely fashion to Task Force requests. Negotiations finally resulted in a compromise which permitted a final and conclusive resolution of the allegation that George Bush was in Paris in October, 1980. The Task Force was sensitive to the security concerns of the United States Secret Service and would not undermine or diminish that function in any way. Nonetheless, the Task Force found the Secret Service to be unnecessarily difficult to deal with, even in light of those security concerns.

(i) Customs Service

The response by Treasury to requests for Customs Service documents was also unacceptable. While the Customs Service assisted the Task Force by assigning extremely capable investigative personnel to the Task Force, its responsiveness to document requests was generally inadequate. Several of the most important participants in the alleged October Surprise events were subjects of, or sources for, Customs Service investigations. The Customs Service refused to provide the Task Force copies of its source files involving Cyrus Hashemi and Hushang Lavi, despite the fact that both men have been dead for some time. This refusal was particularly disappointing in light of the fact that the Central Intelligence Agency permitted the Task Force to review unredacted source files of far greater sensitivity. Access to the appropriate case agents for interview avoided any depreciation of our conclusions, but limiting or denying access to the contemporaneous records of those agents was unnecessary.

f. Federal Election Commission (FEC)

The Task Force requested and received expenditure reports filed by the 1980 Reagan-Bush campaign from the FEC.

g. General Accounting Office (GAO)

The GAO gave the Task Force access to investigative files relating to its preliminary inquiry into allegations by Richard Brenneke that George Bush and others were in Paris in October 1980. These files included reports of interviews with relevant witnesses and reports of the results of other investigative efforts. The Task Force reviewed those files and retained copies of relevant documents.

h. House of Representatives Committee on Post Office and Civil Service Subcommittee on Human Resources ("The Albosta Committee")

The Task Force reviewed the report of the Albosta Committee's investigation of the theft of the Carter campaign debate book. In addition, the Task Force had access to the original files of the "Albosta Committee" which were in the possession of former Congressman Donald Albosta at his farm in Michigan, as well as counsel to his committee. We understand that the Committee on Post Office and Civil Service will be responding to that issue when the 103rd Congress convenes in January, 1993.

i. National Security Council (NSC)

After some delay, the National Security Council ultimately provided documents requested by the Task Force. The Task Force reviewed thousands of NSC documents, which were housed at the Carter and Reagan libraries. The NSC's security procedures were, in some instances in the view of the Task Force, unnecessarily burdensome.

j. Office of the Independent Counsel (Iran-Contra)

The Independent Counsel's Office responded in a timely fashion to the Task Force's requests to review files for information relevant to the October Surprise allegations. Two volumes of material were reviewed by the Task Force. In addition, attorneys employed by the Independent Counsel were fully responsive to Task Force requests for assistance.

k. Senate Intelligence Committee

The Senate Select Committee on Intelligence, which is the repository for tens of thousands of Iran-contra documents was extremely responsive to the Task Force and helpful in its work.

2. Acquisition and Review of Electronic Media

a. FBI Tapes of Surveillance of Cyrus Hashemi

From September 24, 1980 until February 12, 1981, the FBI maintained extensive electronic surveillance of Cyrus Hashemi's office and other locations. Pursuant to this surveillance, the FBI recorded approximately 21,000 conversations,[2] totalling nearly 1,800 hours.

The surveillance was initially ordered to investigate allegations that Cyrus Hashemi was involved in the July 22, 1980 assassination of Ali Akbar Tabatabai, a former Iranian diplomat. Ali Akbar Tabatabai had previously told the FBI that Cyrus Hashemi and his brother Reza were utilizing the United States bank they operated (First Gulf Bank and Trust) to channel Iranian government funds to Khomeini's secret police and intelligence operatives in the United States.[3] Following Ali Akbar Tabatabai's assassination, the FBI heard from a reliable source that Hashemi had instructed that Tabatabai be assassinated and had financed the operation through his bank.[4]

On August 29, 1980, the FBI applied for an order under the Foreign Surveillance Intelligence Act (FISA) authorizing electronic surveillance of Hashemi's office and other locations.[5] Surveillance authority was granted for 90 days.[6]

Although the FBI discovered no evidence relating to the assassination allegations, the FBI did find that Hashemi was engaged in other intelligence activities, including the illegal procurement of military equipment for Iran and efforts to locate the assets of the Shah of Iran.[7] Based on this information, the FBI sought and received a 90-day extension of the authority for the FISA surveillance on November 23, 1980.[8,9] The surveillance was discontinued in February 1981.[10]

All the tapes from the FBI surveillance of Cyrus Hashemi were made available to the

Task Force.[11] The FBI listened to and analyzed every tape in its possession, provided transcripts of relevant tapes, and translated many conversations from Farsi and other languages. Every tape was made concurrently available to the Task Force for its own review and analysis. Additionally, the FBI also reviewed other FISA surveillance that was taking place during this period of time and potentially related to the October Surprise allegations. These reviews also provided helpful material. The FBI, in conjunction with Task Force staff, created a calendar of Cyrus Hashemi's whereabouts based on the information derived from the surveillance. This information has been incorporated into the Task Force's report. The Task Force is especially grateful to the FBI for its cooperation and assistance throughout the course of this investigation.

3. Acquisition of Documents at Presidential Libraries

a. Carter Library

The Task Force sought to review presidential records at the Carter Presidential Library. The majority of the materials sought were classified and approval for Task Force access was required from the numerous government agencies. Approval was ultimately granted and Task Force investigators reviewed thousands of classified documents relating to the hostage situation, including the files of the president and the National Security Council. These files included correspondence between and intelligence reports from other domestic and foreign governmental agencies.

President Carter and the personnel at the Carter Library were extremely cooperative and made every effort to assist the Task Force.

b. Reagan Library

The Reagan-Bush 1980 campaign documents are housed at the Ronald Reagan Presidential Library in Simi Valley, California. These are non-presidential records and, at this time, are not open to the public. The Task Force was required to and did request President Reagan's permission to review these documents. After several efforts to agree on the parameters of the document review with the President's attorney, consent to review the documents at the Library was provided by Mr. Reagan's attorney.

The Task Force reviewed thousands of documents and is confident that it had access to all campaign materials at the library. Most senior campaign officials, including William Casey and Richard Allen, did not turn over their own documents for storage at the Reagan Library.[12]

The Task Force also sought to review pertinent presidential records in the library's holdings. Most of the documents requested were classified and, after appropriate security measures were agreed upon, the Task Force was able to review those records.

Personnel at the Reagan Library were extremely cooperative and accommodating.

4. Acquisition of Privately Held Documents

Throughout the course of the investigation, all non-governmental witnesses interviewed were asked whether they were in the possession of documentary evidence that could support their testimony. In the case of former officials from either the Carter or Reagan administrations, the answer was generally negative, because most relevant documents were retained by the government. In the case of journalists, several were willing to furnish copies of documents they had collected in the course of their own investigations, while others were only willing to summarize the content of what they had discovered. Most foreign private citizens, former government officials of Iran, and foreign journalists most expressed a willingness to share whatever documents they possessed. The Task Force received several hundred pages of documents requiring translation by the Library of Congress.[13] Finally, the Task Force staff obtained many public documents available through the Lexis/Nexis computer network, the Foreign Broadcast Information Service (FBIS), the Library of Congress, and Iran specialists many of whom possessed newspapers, pamphlets, and other documents written contemporaneously with the events under investigation.

The Task Force sought access to the full panoply of corroborative documents that would normally be sought in a criminal investigation, including copies of credit card receipts; travel records; frequent flyer mileage records; bank account information; hotel records; telephone

62-366 - 93 - 2

records; and travel reimbursement receipts from private employers and the Reagan campaign. Unfortunately, many of the categories of records described above are destroyed in the routine course of business between seven and ten years after they are created. Because we were investigating events alleged to have occurred 12 years ago, we were unable to obtain a number of potentially valuable records.

a. Cyrus Hashemi

The Task Force sought numerous documents generated by or concerning Cyrus Hashemi. As with many other aspects of the inquiry, the passage of time significantly limited the Task Force's ability to obtain these documents.

Among the individuals from whom we sought documents were Homa Hashemi, Hashemi's first wife, to whom he was married during the 1979–1981 period; Stanley Pottinger, Jackson Cook, and Jay Springer, who all served as attorneys for Hashemi; William Wachtel and Elliott Richardson, counsel who represented Hashemi during his investigation by the United States Attorneys Office of the Southern District of New York; the family of John Shaheen, who had a business relationship with Cyrus Hashemi; and various business associates and/or employees of Cyrus Hashemi.

b. William J. Casey

The Task Force sought to obtain relevant documents that belonged to William J. Casey. In particular, the Task Force focused on files related to the hostage issue, as well as Mr. Casey's calendars, appointment books, and passports for the relevant time period. Through the Casey family, the CIA, and others who had worked with Mr. Casey, the Task Force obtained and reviewed a significant number of Mr. Casey's documents.

The location of Mr. Casey's documents over the last 12 years has been well documented. Like most senior members of the Reagan-Bush campaign, Casey did not forward his campaign files to the Hoover Institute for storage at the Reagan Presidential Library. Mr. Casey kept the majority of his campaign files and stored them in two safes at his CIA office at the Old Executive Office Building.[14] Casey's secretary at that office, Doris Gibbons, indexed those files after she began working for Mr. Casey in 1982.[15] In Ms. Gibbons' index, there were four items of interest to the Task Force: (1) Standard Diary—1980, (2) Monthly Minder—1980, (3) Loose calendar pages—July 24, 1980–December 18, 1980, and (4) a campaign file marked "Hostages".

In addition to Ms. Gibbons' index, there were several other indexes made over the years which assisted the Task Force in tracking Mr. Casey's documents. In 1984, the Federal Bureau of Investigation indexed the Casey files during its investigation of the alleged theft of government documents and the Carter campaign debate book. In addition, when the FBI sought to review the remaining portion of Casey's personal files from the 1980 campaign period which were stored at Mr. Casey's New York law office, they were shipped to Mr. Casey's office at the Old Executive Office Building. Prior to their shipment however, the law firm also prepared an index.[16] The FBI reviewed the law firm files and prepared an index of those documents as well.

In 1987, following Mr. Casey's resignation as Director of the CIA, all the campaign files, including the law firm files, were transferred to CIA headquarters at Langley, Virginia.[17] Prior to their transfer, Doris Gibbons prepared another index of the files.[18] The campaign files and personal files from Mr. Casey's Langley office were sent to the Casey family at their home in McLean, Virginia. Some of the files stored at the McLean home were later moved to the Casey home in Rosslyn Harbor, New York.[19] The Task Force staff obtained access to documents stored at the Casey home in Virginia on August 12, 1992 and to the home in New York on August 24, 1992.

(i) Casey's Calendars

According to the various indexes of the Casey files, William Casey maintained three calendars in 1980: a "Standard Diary", a "Monthly Minder" and a desk top calendar from which, according to the Gibbons index, some loose pages were retained. The Task Force staff did not find the calendars which were listed in the various indexes when reviewing the boxes of documents at the Casey homes in Virginia or New York. The Task Force's comparison of the file folders at the Virginia home with the Gibbons index indicated that the file

folders surrounding the calendars were intact in the sequence noted on the index.

Barbara Hayward, one of Mr. Casey's secretaries at the Reagan-Bush campaign headquarters, had reviewed a red hardbound "Standard Diary" for 1980 at the Virginia home on May 20, 1991. Hayward informed the Senate Foreign Relations Committee that Robert Gray, the Director of Communications during the campaign, had asked her to review Mr. Casey's files at the McLean house to look for any diaries relevant to the October Surprise allegations.[20] Upon receiving Mrs. Casey's consent, Hayward reviewed documents at the Virginia home. Hayward reported that "there was nothing in [the calendar] very much" and it did not "clear up the situation".[21,22,23,24]

Subsequent to the Task Force's review of documents at the Virginia home, Bernadette Casey Smith and her husband Owen Smith met with Task Force counsel and counsel for the Senate Investigation and provided two calendars and some loose calendar pages from a desk calendar originally listed in Mrs. Gibbons' indexes.[25] According to Ms. Gibbons' indexes, loose calendar pages for the time period July 24, 1980 to December 18, 1980 had been kept in a file folder in a safe in Casey's CIA office in the Old Executive Office Building. When delivered to the Task Force, the following pages were missing from the loose calendar pages: July 26–27, October 21, October 29, November 3–11, and November 13. The dates July 26th and October 21st are of particular interest to the Task Force.[26] The 1980 Monthly Minder and the Standard Diary provided by Mrs. Smith were completely intact. The relevant information from these calendars was utilized by the Task Force to develop a comprehensive accounting of Casey's whereabouts during the relevant time period.[27]

The Task Force has not found any evidence to explain why the dates identified above are missing from the loose calendar pages found in Casey's files.

(ii) Casey's Passports

No witness has ever stated that he or she recalls seeing a 1980 passport for William Casey. Nonetheless, the Task Force tried to locate his 1980 passport because it reasonably assumed that he possessed one due to several foreign trips he took in that time period. In a deposition, Mr. Casey's secretary at CIA headquarters, Betty Murphy, testified that, following his death in 1987 she gave several of Mr. Casey's expired passports as well as a folder labeled "Passport" [28] to his widow, Mrs. Sophia Casey. She couldn't recall which passports were included among the ones she gave Mrs. Casey. However, Task Force investigators did not find any passports in the limited areas to which they were given access in the Casey homes in the summer of 1992. The Task Force did find an empty file folder labeled "Passport". In her deposition, Bernadette Casey Smith testified that the family had tried unsuccessfully to locate the passports. Mrs. Smith also testified that Richard Allen had asked the family to locate the passports and that, pursuant to that request, she thought Barbara Hayward had looked for but was unable to find any passports at the Virginia home in 1991.[29]

On December 10, 1992, a Task Force investigator contacted Mrs. Smith to determine if the family had found the passport. Mrs. Smith stated that she was just about to call the investigator to inform him that she had found two passports. Mrs. Smith stated that her husband, Owen, had located two of her father's passports in the Virginia home. Thereafter, Mrs. Smith mailed two (2) expired passports to the Task Force: a tourist passport issued in 1958 through 1960, and one official passport from the CIA issued in 1981 through 1986. The Task Force has been unable to locate Mr. Casey's 1980 passport.

(iii) The "Hostages" File

The indexes prepared by Doris Gibbons in 1982 and 1987 at the Old Executive Office Building also indicate that Mr. Casey had a small file from the campaign labeled "Hostages." That file was not included in the FBI index of Mr. Casey's files prepared in August of 1983 in the course of the investigation of the theft of the Carter debate book. Whether FBI agents ever actually saw the "Hostages" file is unknown. In any event, sometime after the FBI had reviewed his files, Mr. Casey removed some documents from the file.

On the Gibbons' index, a handwritten note by Doris Gibbons indicates that Mr. Casey removed some pages from the "Hostages" file on February 27, 1984. On the same day he re-

moved pages from the file, Casey wrote to Representative Donald J. Albosta that he was "in the process of checking some facts" and would provide him with an affidavit shortly.[30] On March 2, 1984, three (3) days after he removed pages from the "Hostages" files, Casey signed an affidavit for the Albosta committee discussing his receipt of information concerning the hostages. Ms. Gibbons testified that she controlled access to those safes and, to her knowledge, Casey never returned the material he removed from the file prior to his death.[31] She testified that it was her custom to note on the indexes when materials were returned to the files.[32] The index contains no such notation.

When Task Force investigators initially questioned Mr. Casey's widow, Sophia Casey, and daughter, Bernadette Casey Smith, neither recalled seeing any "Hostages" file.[33] The day after this discussion, Bernadette Casey Smith called the Task Force and reported that she and her mother had found a "Hostages" file at the Casey home in New York. She testified later that she and her mother had removed the file previously from McLean and taken it to New York, but that she had not recalled this event when she discussed the matter with the Task Force previously. Mrs. Smith forwarded to the Task Force copies of approximately 50 pages of campaign documents which she stated were from the "Hostages" file. At their deposition, Mr. and Mrs. Smith produced approximately 12 additional documents regarding Iran which she stated she had found at the New York home.[34]

(iv) Casey Personal Documents at Langley

The Task Force attempted to obtain access to some of Mr. Casey's campaign and transition files relating to the hostage situation which were maintained at CIA headquarters in Langley, Virginia. Sam Watson, an employee of the Reagan-Bush CIA transition team, testified that, to the best of his recollection, one of Mr. Casey's secretaries in late January or February of 1981 asked him to review "a box or two" of Mr. Casey's files from either the Reagan-Bush campaign or transition offices. Watson testified that he recalled reviewing files related to the Iranian hostage situation.[35]

Betty Murphy confirmed that one or two boxes of Mr. Casey's files from the campaign were at his Langley office.[36] She believed that these files were among Mr. Casey's personal files from his Langley office that had been delivered to the Casey home in McLean, Virginia.[37] However, the Task Force learned that some of Casey's personal files from the transition period inadvertently remained at the CIA with Casey's official papers.

The Chief of the CIA Security Director's Security Staff from 1984 until the time of Casey's death testified that "just over a year ago someone ran across some material" in the CIA Director's office and asked him to deliver them to Mr. Casey's widow, Sophia.[38] Bernadette Casey Smith testified that someone from the CIA Director's office called her mother and told her that they had found some documents regarding "October Surprise" that might be "helpful" and sent them to her mother.[39]

The Task Force deposed Becky Rant, the Deputy Executive Secretary of the CIA, regarding the discovery of this material. Rant testified that in the summer of 1991 she had requested that a box of Mr. Casey's materials be retrieved from the CIA document storage facility for purposes of accessing documents unrelated to these allegations.[40] In the course of reviewing that box of files, Rant noticed a file labeled "WJC Personal, January 1980 to December 1980." [41] She believes that the personal file was inadvertently included with his Agency files when Casey's personal files were boxed for delivery to Mrs. Casey.[42]

Rant notified her supervisor of the misplaced file and prepared an inventory of the files which described the contents and the number of pages of each document.[43] The CIA Security Detail Chief delivered 624 pages to Mrs. Casey and her daughter, Mrs. Smith, at the home in New York.[44] After the DCI Security Detail Chief delivered the materials, Mrs. Casey mailed a portion of them to Congressman Henry Hyde,[45] Ranking Minority Member of the Task Force, and to members of the media.[46]

The CIA maintained copies of the documents it provided to the Casey family and provided these copies to the Task Force. Although Mrs. Casey provided 45 pages of documents in the packet to Mr. Hyde, the Task Force has reviewed and identified approximately 240 pages that relate to the Iranian hostages from among those provided to the Casey family.

In conclusion, although the Task Force is confident that it eventually received sufficient evidence to make sound conclusions regarding Mr. Casey's whereabouts during relevant time periods, it was disappointed with the timeliness and quality of the document production by the Casey family.

c. John Shaheen Documents

John Shaheen died on November 1, 1986. He was a close personal friend of William Casey dating back to World War II. He was also involved in business relationships with Cyrus Hashemi before, during and after the 1980 hostage crisis. The Task Force originally sought from members of the Shaheen family all of John Shaheen's documents pertaining to meetings and discussions with William Casey and/or Cyrus Hashemi concerning the American hostage crisis in Iran in 1979–1981. Calendars, diaries and appointment books which would place his whereabouts during the relevant time period also were requested.

The family produced thirteen classifications of John Shaheen's documents including: a large gray rolodex; a yellow envelope containing a listing of the relatives of the Shah of Iran; a photocopy of a Power of Attorney from Cyrus Hashemi to Lawrence A. Blatte, dated 4/15/80; a Shaheen Natural Resources Company, Inc./ MacMillan Ring-Free Oil Company, Inc. list of employees and residence telephone numbers for 1980 and 1985; a letter of Intent for Agreement for Joint Venture between John Shaheen and Cyrus Hashemi, dated 4/16/80; a memorandum of joint venture between John Shaheen and Cyrus Hashemi dated 4/29/80; a Thank You card from Richard V. Allen, dated 1/13/82; John Shaheen's cash receipts and disbursements for the period of 1975–1982; First Gulf Bank and Trust loan documents for Mid Ocean, dated 6/30/80; First Gulf Bank and Trust loan documents to Mid Ocean, dated 10/4-6/80; a document entitled "Arrangement of Banking Facility for Mid Ocean," dated 10/31/80; a document entitled "$3,500,000 closing with First Gulf Bank and Trust," dated 3/6/81 (folders #1 and #2), and a document entitled "First Gulf Bank and Trust $3,500,000 loan to Mid Ocean," dated 1/7/81.

Copies of the following documents were obtained from the Senate "October Surprise" special counsel staff: selected rolodex cards from the aforementioned gray rolodex; telexes sent to Shaheen for Cyrus Hashemi; Shaheen Natural Resources office telephone directories; a news clipping pertaining to Iran Seaoil Co.; a telephone directory of Bradford Shaheen; background and reference addresses for John Michael Shaheen; miscellaneous addresses and telephone numbers; an envelope addressed to John Shaheen, and a letter addressed to Shaheen from The Hague.

Lastly, a copy of John Shaheen's permanent diary for the year 1980 was obtained from the Senate "October Surprise" special counsel staff. This was a hard cover book, red in color, prepared by his secretaries. It contained limited information regarding his whereabouts, out of town appointments, and the individuals with whom he dined. It was used primarily for tax purposes. This book was based on information Shaheen furnished to his secretaries and was in yearly increments.

The Task Force determined that not all of Shaheen's relevant documents had been located. According to Maureen McPartland Brokaw, Shaheen's former personal secretary, John Shaheen maintained two other calendars, in addition to the one secured by the Senate special counsel staff.[47] The most detailed was an Economist Pocket Diary which he personally prepared and carried on his person. It resembled a checkbook in size, contained his appointments, and was in yearly increments. The other was an appointment book prepared by his secretaries from information relayed by Shaheen. It had a soft cover, was spiral bound, written in pencil, and broken down into yearly increments.

In addition, Shaheen carried a personal address book with him in his briefcase. It was known in the office as the "blue book". It was the size of a novel but with spiral binders. A loose leaf version of the "blue book", which contained basically the same information, was maintained in the office for staff use.[48] Finally, John Shaheen always kept his current passport in his briefcase.

Brokaw believed the books and passport that were not provided to the Task Force were in the custody of the Shaheen family. She stated that Bradford Shaheen, John's son, went through his father's effects after his death and took them. Brokaw was not present when this happened. She stated, however, that Bradford

acknowledged to her that he had done this. Brokaw assumed the aforementioned documents would be together.[49]

Moreover, in a deposition by the Task Force, Bradford Shaheen admitted that he had taken the documents. He stated that he brought virtually all of his father's personal documents to the family home in Southampton, New York, over a six month period after his father's death. However, he was vague and ambiguous in explaining why the missing documents were not found during the searches by the House Task Force and Senate investigation staff.[50]

Photocopies of Shaheen's soft, spiral bound appointment book for relevant dates, July–November 1980, however, were provided to the Task Force by Roy Furmark at his November 24, 1992 deposition. Furmark stated that he had requested this portion of the diary from Bradford Shaheen in 1991, after the media made inquiries of him.[51] These entries show that Shaheen travelled to London on seven occasions and to Paris twice during the July–November time period. Cyrus Hashemi was mentioned three times. They also show that Shaheen met Stan Pottinger in London on October 6, 1980. The calendar contains no evidence that Shaheen brokered a contact between Cyrus Hashemi and William Casey during the July–November 1980 period.

The United States Senate "October Surprise" special counsel staff made two visits to the Shaheen family home in the spring and early summer of 1992 but did not receive any of the missing documents. In late June and early July, the House Task Force initiated further discussions with the Shaheen family in an effort to secure the production or the review of the documents at their storage site. The Task Force sought the cooperation of Shaheen's son, Bradford, and his widow, Barbara. Neither was cooperative. After a reasonable period of time during which little or no progress was made, the Task Force served a subpoena on Barbara Shaheen, on July 17, 1992.

Shortly thereafter, the Task Force learned that the Shaheen estate had never been probated, and that therefore John Shaheen's documents were in the constructive custody of the executor of his estate and brother, Raymond Shaheen, a Chicago attorney. A second subpoena was served on Raymond Shaheen. In response, Barbara Shaheen grudgingly agreed to permit Task Force investigators to enter her private home and examine a voluminous amount of documents, but for only for a period of two days under her arrangements with the Task Force.

On July 28, 1992, a Task Force investigator went to the Shaheen residence pursuant to the subpoena and Barbara Shaheen's prior verbal agreement. At first she refused to give the investigator access to a third-floor bedroom where documents were stored. After approximately one hour of discussion, she reluctantly agreed to telephone her attorney. She permitted the investigator to view the documents stored in the basement while she attempted to consult with her legal counsel. The attorney subsequently related to the Task Force investigator that he had suggested to Barbara Shaheen that it would be in her best interests to cooperate, and the document search continued. The search revealed approximately 47 Transfiles and similar boxes of documents in the basement of the Shaheen home, 23 boxes in a third floor bedroom.

On July 17, 1992, a subpoena duces tecum was served on the European American Bank for the financial records of John Shaheen. In view of the amount of time that had passed between the time the account was active and the date of the subpoena, all the records had routinely been destroyed.[52]

d. Abol Hassan Bani-Sadr

Former Iranian President Bani-Sadr was very helpful to the Task Force with both time and documentation. He consented to more than ten hours of interviews. During the course of these interviews, President Bani-Sadr furnished the Task Force staff with a complete collection of the newspaper articles which he wrote contemporaneously with the events under investigation. President Bani-Sadr also wrote a book on his political experiences, *My Turn to Speak.* This book chronicles and analyzes Iranian political developments throughout the time period relevant to the October Surprise allegations. President Bani-Sadr provided the Task Force with a compilation of letters he wrote to other Iranian political figures during his presidency. Finally, he remains in contact by phone and fax with many people in Iran. Through these contacts, he was able to obtain additional materials,

mostly letters, relevant to the Task Force's inquiry.

e. Gunther K. Russbacher

Gunther Russbacher, an inmate in the Missouri State Prison, was contacted by the Task Force in March, 1992. Russbacher claimed to have flown then vice presidential candidate George Bush and others to Paris aboard a BAC-111 supersonic aircraft in October, 1980. Through claimed counsel, Russbacher furnished the Task Force with reams of material alleging knowledge of and/or complicity in the October Surprise allegations.

f. Richard J. Brenneke

On March 17, 1992, pursuant to a Task Force subpoena, Peggy Robohm provided documents and personal effects of Richard Brenneke which were given to her by Brenneke in 1991. The documents received were extensive and, as relevant, are discussed in detail in the report.

g. James A. Baker, III

The Task Force also sought the 1980 campaign records of James A. Baker III from both the Bush and Reagan/Bush campaigns. On December 29, 1992 the Task Force was granted complete access to those records archived at the Rice University in Houston. The Task Force is grateful for Mr. Baker's full compliance, even though more timely access would have eased the Task Force Staff's review.

h. Others

Documents were also sought and received by the Task Force from individuals who allegedly could corroborate certain specific events. For example, the July 28-31, 1980 Anglo-American conference held at the Imperial War Museum in London and attended by William Casey. In addition to documents provided by Jonathan Chadwick, the director of the British Imperial War Museum, the Task Force obtained records from the Royal Army Medical College and various airlines, diary entries and calendars from numerous attendees at the conference. The Task Force is very appreciative of this cooperation.

C. Assistance From Foreign Countries Including Algeria, Germany, Great Britain, France, Iran and Israel

The Task Force sought the assistance of a number of foreign governments; because most of the alleged meetings took place overseas and most of the alleged participants were foreign nationals, the assistance of certain countries was deemed critical. Agencies of the governments of Great Britain and France, for example, were asked to provide access to records and/or individuals. Germany and Algeria were asked to permit interviews with certain current and former officials who participated in the hostage negotiations. Israel conducted an independent and thorough examination of all the issues presented to it by the Task Force. Israeli witnesses were interviewed and documents analyzed and produced for the Task Force to review.

The agencies in Great Britain and France from which assistance was sought generally complied with Task Force requests, but many of the records sought could not be located. The government of Iran, contacted on numerous occasions through its Permanent Mission to the United Nations, denied the Task Force's request to travel to Iran to conduct interviews. Although the Task Force was able to contact several critical Iranian nationals while they were traveling outside of Iran, the inability to travel to Iran prevented access to many individuals who might have had knowledge relevant to the allegations.

The government of Israel also declined to allow the Task Force to travel to Israel to interview current and former government officials. The government of Israel, did, however, appoint a special investigator, Israeli General (Res.) Raphael Vardi to act as liaison with the Task Force. General Vardi interviewed certain individuals on behalf of the Task Force. The Task Force also sought certain documents from Israel. General Vardi submitted the results of his investigation to the Task Force, and the government of Israel has given us permission to utilize these findings in this report. While we would have preferred to conduct our own interviews, General Vardi's report reflects sig-

nificant effort under severe time constraints. The Task Force is grateful to the government of Israel for its effort.

The government of Germany permitted the Task Force to conduct interviews and depositions in Germany and made available its former foreign minister, Hans-Dietrich Genscher, who played a critical role in the hostage negotiations. The Task Force is grateful to the government of Germany for its assistance in this regard.

The government of Algeria provided valuable assistance to the Task Force. The government of Algeria invited the Task Force to Algiers and arranged for interviews. The Algerians were scrupulous in maintaining their discretion and neutrality while being generous with their time and insight. Algerian assistance was particularly useful in understanding the crucial last few months of the negotiations that ended the hostage crisis.

D. Foreign Hotel Records

The Task Force, with the assistance of the FBI's Legat in Madrid, Spain, Interpol, and Spanish Police authorities, was able to obtain the originals of the Madrid Plaza Hotel's head tax records for the period of 1980. These tax records, maintained to cover a Spanish head tax on each hotel guest for the period, while useful, do not in any way provide any identifying information other than the guest's name and the date the head tax was applicable.

Extensive efforts were also made to obtain the Plaza Hotel registration entrance card records for this same 1980 period, which besides the guest's name, would have included address, date of birth, passport number, etc. These efforts through local Spanish police authorities and the Plaza Hotel in Madrid established that these records as of September 1992 were no longer maintained, and had been routinely destroyed by the Plaza Hotel and local Spanish police authorities.

Similarly, the Task Force approached the hotels in Paris that were discussed in the various October Surprise allegations. Some of the hotels were cooperative in searching for records, although in most cases they were unable to locate them after twelve years. The results of the Task Force efforts on Paris hotel records collection will be referred to as appropriate in this report.

E. Assistance From Journalists/Writers/ Researchers

A number of journalists, writers, and researchers have devoted considerable attention to the October Surprise allegations. Many journalists, as well as Iranian scholars, provided the Task Force with valuable insights into the matters under investigation. The journalists we spoke with fell into two classes of witnesses: those with whom the Task Force conducted either a formal on-the-record interview or a deposition and those with whom we met informally. The Task Force also benefitted from the assistance of Gary Sick who submitted to formal interviews and sworn deposition testimony. The Task Force met with more than a dozen journalists and writers in the United States and abroad who have written extensively on the October Surprise proposition. In particular, Steven Emerson, Barbara Honegger, Martin Kilian, Peggy Robohm, Robert Parry, Tara Sonenshine and David Marks provided the Task Force with valuable time, documents, and information.

Endnotes

1. Barry Rubin, Director, Program for the Political Study of Terrorism, Johns Hopkins Foreign Policy Institute, Washington, D.C.

2. Letter from FBI Inspector General Terry T. O'Connor to E. Lawrence Barcella, Jr. (Dec. 30, 1992). *See* App. at 6–9.

3. Department of Justice Memorandum to Attorney General Benjamin Civiletti from Lubomyr Jachnycky, Office of Intelligence Policy and Review (Aug. 29, 1980) at 1–2. *See* App. at 10–12.

4. *Id.* at 2.

5. *Id.* at 1.

6. United States Foreign Intelligence Surveillance Court, No. 80–257 (Aug. 29, 1980).

7. Memorandum to the Attorney General re: Request for Use of FISA Information (Mar. 2, 1982) at 2. *See* App. 13–20.

8. United States Foreign Intelligence Surveillance Court, No. 80–307 (Nov. 23, 1980).

9. The interest of the State Department in assessing the truthfulness of Hashemi's representations regarding his role as an intermediary with the Khomeini regime to facilitate the release of the hostages was also conveyed to the court. *See* Memorandum to the Attorney General re: Request for Use of FISA Information (Mar. 2, 1982) at 3 (citing Application to United States Foreign Intelligence Surveillance Court No. 80–307 (Nov. 23, 1980)). *See* App. 13–20.

10. *See* section XI, *infra,* regarding termination of the surveillance.

11. Early on in the Task Force inquiry, a press report indicated that Ronald Reagan's voice was on the Hashemi FISA tapes. Van Mueffling, *More "October Surprise" Tapes Found, Source Says,* Reuters (May 8, 1992). Other than Reagan's voice appearing on television or radio in the background of an intercepted conversation, these reports proved wholly inaccurate. The FBI expended significant and repeated efforts to locate any such tapes and neither they nor the Task Force staff found any conversations vaguely related to that reported.

12. The Task Force also sought access to relevant campaign documents from relevant individuals. Those efforts are discussed elsewhere in this report.

13. The Task Force is particularly grateful to Dr. Gholam H. Vafai, Senior Legal Specialist for the Iran, Afghanistan, Near Eastern and African Law Division of the Library of Congress, who translated hundreds of pages of Farsi documents on behalf of the Task Force.

14. Doris Gibbons Deposition (Oct. 26, 1992) at 3–4 (hereinafter "Gibbons Dep.").

15. Gibbons Dep. at 3–6.

16. *Id.* at 8–9.

17. *Id.* at 20–21, 24.

18. *Id.* at 25–26, 29–31.

19. Bernadette Casey Smith and Owen Smith Deposition (Oct. 21, 1992) at 34 (hereinafter "Smith Deps."). *See also* DCI Security Detail Chief Deposition (Nov. 4, 1992) at 20 (hereinafter "DCI Security Detail Chief Dep.").

20. Barbara Hayward Deposition before the Senate Foreign Relations Committee, Subcommittee on Near Eastern and South Asian Affairs (Jul. 28, 1992) at 21 (hereinafter "Hayward Senate Dep."); Robert Gray Deposition (Dec. 15, 1992) at 17–19 (hereinafter "Gray Dep.").

21. Hayward Senate Dep.; Smith Deps. at 21.

22. According to Mr. Casey's daughter, Richard Allen called the Casey family and asked them to look for Mr. Casey's passport. At the request of the Casey family, Hayward went to the McLean home to look for a passport but did not find one. Smith Deps. at 17.

23. *See also* DCI Security Detail Chief Dep. at 42–43. The CIA employee who was Mr. Casey's Chief of Security and remains friendly with the Casey family, testified that he found "some calendars" in the McLean home when either Mrs. Casey or Bernadette Casey Smith asked him to locate them following some allegations about Mr. Casey. He could not recall either the year of the calendars that he found or the year of the calendars that the Casey family asked him to locate. *Id.* at 41–42.

24. Casey's biographer, Joseph Persico, had complete access to the Casey home prior to the Task Force's investigation but told the Task Force investigators he did not see any calendars and did not remove any documents. The Task Force investigators retained the notes of the meeting but did not compile a formal report of the encounter.

25. Mrs. Smith's husband, Owen Smith, testified that he had found the two calendars and loose calendar pages under a box on a fireplace hearth in the basement at the McLean house. Smith Deps. at 65. The Task Force staff had thoroughly examined this area of the basement on their visit to the home two weeks earlier, did not find these documents, and do not believe they overlooked them.

26. *See* section VII, *infra,* for discussion of the importance of the July 26, 1980 date. *See* section VIII, *infra,* for the importance of the October 21, 1980.

27. *See* sections VII and VIII, *infra,* for discussion of Casey's whereabouts on July 26 and October 21, 1980.

28. Betty Murphy Deposition (Oct. 21, 1992) at 14–15 (hereinafter "Murphy Dep.").

29. Smith Deps. at 17.

30. Letter from William J. Casey to Rep. Donald J. Albosta (Feb. 27, 1984) at 1. *See* App. at 21.

31. Gibbons Dep. at 9–10, 19, 21–22.

32. Gibbons Dep. at 10–11, 21.

33. Bernadette Casey Smith Interview (Aug. 12, 1992) (hereinafter "B. Casey Int.").

34. Smith Deps. at 40.

35. Samuel Watson Deposition (Nov. 9, 1992) at 5–6, 9, 11–12, 17–18 (hereinafter "Watson Dep.").

36. Murphy Dep. at 5.

37. *Id.* at 9, 19.

38. *Id.* at 24, 34, 46–47.

39. Smith Deps. at 23–24, 27.

40. Becky Rant Deposition (Nov. 12, 1992) at 2, 15 (hereinafter "Rant Dep.").

41. *Id.* at 5.

42. *Id.* at 4.

43. *Id.* at 7.

44. DCI Security Detail Chief Dep. at 25–27.

45. Congressman Hyde's staff opened these documents for the first time after the Task Force was officially formed and in the presence of counsel from the Majority's staff.

46. Smith Deps. at 26.

47. Maureen McPartland Brokaw Interview (Oct. 29, 1992) at 1 (hereinafter "Brokaw Int.").

48. *Id.* at 1.

49. *Id.* at 2.

50. Bradford Shaheen Deposition (Nov. 2, 1992) at 50–103, 140–160 and 186–197 (hereinafter "B. Shaheen Dep.")

51. Roy Furmark Deposition (Nov. 24, 1992) at 25–28 (hereinafter "Furmark Dep.").

52. *See* section VII, *infra,* for analysis of the Casey, Hashemi, Shaheen relationship.

V. Historical Overview of the Hostage Crisis

On November 4, 1979, a mob of Iranian student radicals attacked the United States Embassy in Tehran, took 63 Americans hostage, and demanded that the United States extradite the deposed Shah of Iran. Three embassy officials visiting the Iranian Foreign Ministry were also taken hostage. At approximately 3:00 a.m. EST, State Department officials in Washington received word of the takeover and began an effort to manage a crisis that would not be resolved for 444 days. Events in Iran moved swiftly and inexplicably, and numerous simultaneous and successive initiatives were put in motion in the United States to address the crisis. To understand and analyze the allegations at issue in this investigation and to determine whether events followed their own logic, or as alleged, were manipulated for electoral advantage, it is essential to understand the historical context of the crisis and the actions of the United States government. This section of the report provides some background on the hostage crisis from the perspective of the Iranian and United States governments, and describes those actions of "diplomacy and pressure" [1] taken by the United States government to resolve the crisis.

A. Iran: Historical Perspective

In February 1979, the Pahlavi dynasty in Iran collapsed after two years of public protest and political unrest in opposition to the reign of Muhammad Reza Shah Pahlavi (hereinafter the "Shah"). Replacing the Shah's government was a fundamentalist Islamic movement led by Ayatollah Ruhollah Khomeini (hereinafter Khomeini). Khomeini's revolutionary Islamic government reshaped the landscape of Iranian politics and, ultimately, provoked one of the most serious crises in the history of American foreign relations.

Reza Shah Pahlavi came to power in Iran in 1925, and ruled his country until the allied occupation of Iran in 1941.[2] With the occupation, Reza Shah was forced into exile and replaced by his son, the Shah.[3] In the post-World War II era, political and social movements multiplied in Iran, bringing with them increased attention to issues of nationalism and the role of the British government in Iranian affairs.[4] The leader of the Iranian nationalist movement, Mohammad Musaddeq, made among his goals the nationalization of the Anglo-Iranian Oil Company ("AIOC"), in which the British maintained a majority ownership interest until Musaddeq became prime minister in 1951.[5] In August, 1953, however, the government was overthrown with covert assistance from the American and British governments.[6]

In the early 1960s, Iran again experienced political unrest, this time in response to the Shah's "White Revolution," which proposed, among other things, land reform and suffrage for women.[7] The religious leadership, in particular Khomeini, who had previously distinguished himself in 1962 with opposition to proposed laws providing for the election of local councils throughout the country, opposed the reform.[8] In 1964, Khomeini opposed Majlis (the Iranian parliament) approval of a measure that extended diplomatic immunity to American military personnel and their families stationed in Iran.[9] Khomeini's political opposition grew so strong that the Shah's government arrested him and forced him into exile in Turkey on November 4, 1964.[10] For the next fifteen

years, Khomeini sustained in exile his opposition to the Shah's government.[11]

1. The Path to Revolution: 1963–1979

Oil revenues fueled economic growth in Iran during the late 1960s and early 1970s. The results of this growth were not all positive and, as the government expanded spending in the 1970s, prices increased quickly, causing widespread opposition. The poor economy was further aggravated by social problems and growing pressure to ease political repression.

In 1977, following the adoption of new liberalization policies by the Shah, opposition to the Shah's policies escalated. Throughout 1977 and 1978, many Iranians moved "to Islam as a force of liberation and a refuge from the oppressive secular politics of Pahlavi rule."[12] With this movement, clerics and religious students became increasingly active in political activity, which often turned violent. When riots occurred in the religious city of Qom in January, 1978 after a government-sponsored article attacked Khomeini, police opened fire on the protestors and killed two dozen people.[13] The Qom killings led to more protests and violence.[14]

Religious leaders in Qom, who were in communication with the exiled Khomeini, continued to mobilize support.[15] By September, demonstrators were openly denouncing the Shah and demonstrating with greater frequency and in larger numbers. To quell the demonstrations, the Shah imposed martial law, which led to further confrontation and violence.[16]

a. Reaction to Revolution: American Foreign Policy and the Fall of the Shah

The crisis in Iran posed a sharp challenge to United States policy. As historian James Bill summarized, "[t]he American foreign policy establishment was badly divided over the Iranian situation and the major actors were involved in a tangled web of personal and policy rivalry."[17] Iranian specialists in the State Department believed the Shah had limited time remaining in power. American Ambassador to Iran William Sullivan, who had earlier been optimistic about the Shah's political future, sent a cable to Secretary of State Cyrus Vance on November 9, 1978 advocating a change in the policy of supporting the Shah and advising that the dominant figure in Iran was Khomeini.[18] Sullivan titled his cable: "Thinking the Unthinkable." President Jimmy Carter and his national security advisor, Zbigniew Brzezinski, however, remained loyal in their support for the Shah.[19]

By December, 1978, with his political power further eroding, the Shah turned to a centrist coalition party, the National Front, with the idea of transferring power to a transition government. He appointed Shapur Bakhtiar, a liberal member of the National Front from the time of Musaddeq, as prime minister on December 30. The Shah left Iran on January 16, 1979.[20] Bakhtiar was expelled from the National Front for excepting this appointment.

As President Carter's concern over the situation in Iran grew, he ordered General Robert Huyser, deputy commander of United States forces in Europe, to Iran to conduct an assessment.[21] General Huyser arrived in Iran on January 4, 1979, and later said that "[i]n general terms I was sent there by the Government of the United States to stabilize the Iranian military and to encourage the Iranian military to support their legal government."[22] Huyser found the Iranian military in a "state of confusion," but nonetheless willing to find common ground with the Bakhtiar government to prevent the communists and other radical left groups from coming to power.[23]

b. The Birth of the Islamic Republic of Iran: 1979–1980

The situation in Iran did not stabilize with the Shah's departure and the transition of power to Bakhtiar. Bakhtiar had little power and lacked the backing of Khomeini. When Khomeini returned to Iran on February 1, 1979, he appointed his own prime minister, Mehdi Bazargan, and announced the formation of an Islamic state.[24] Ten days later, Bakhtiar's government collapsed.

Bazargan was a moderate with strong ties to the Islamic clerics who had promoted the idea of Islam as a force for social and political change.[25] Bazargan's eight months as prime minister, however, "emphasize[d] the gap rather than the community of interests between the secular and the cleric forces, the moderates and the radicals who had made the revolution. It was also a period when the revolutionaries

shaped the institutions of the new order, reformed old and established new political movements, and defined the issues which would excite and agitate the country over the next several years."[26]

Before the fall of the Shah, Khomeini had established the Revolutionary Council,[27] which would later play a major function in the governing of Iran. When the Shah's government fell, the Revolutionary Council seized extensive powers, which strengthened the clerics and weakened the influence of Bazargan and the moderates.[28] The Council came to be dominated by Ayatollah Mohammad Beheshti [29] and other clerics from the newly-formed Islamic Republic Party (IRP).

A range of political parties and movements arose, ranging from "Islamic-fundamentalist to Islamic-radical, from liberal to conservative, from socialist to Marxist-Leninist and Maoist."[30] In addition to the IRP, a group associated with a centrist political rival of Khomeini's in Qom, Ayatollah Shariatmadari, formed the Islamic People's Republican Party (IPRP).[31] The IPRP was dedicated to the broad goals of the Islamic Republic, but differed from the IRP in many respects. It criticized the revolutionary committees and the revolutionary courts, which were dispensing summary justice across Iran.[32] Leftist elements also supported several political parties, including the Iranian communist party (the Tudeh) and two more radical groups, the Mojahedin-e Khalq and the Fadayan-e Khalq.[33]

These parties competed for power and struggled for influence over the institutions of the new government. The new government's effort to draft a constitution that "would define the new political order lent urgency and intensity to the debate."[34] The lines were drawn between secular parties, which called for an open referendum on the choice between an "Islamic" or "democratic" republic, and the clerics, who called for a purely Islamic form of government.[35] On June 18, 1979 a committee presented a constitutional draft that provided for a strong presidency and some individual rights and freedoms.[36] While it paid lip service to the idea of an Islamic state, it gave no special authority to the religious leaders.[37] Opposition groups sought changes, and in August 1979 an "Assembly of Experts" convened to review the constitution.[38] It was in the midst of this struggle for power that a group of militant students seized control of the American embassy. From its beginnings, the hostage crisis was closely intertwined with an internal power struggle that would occupy Iran for over a year.

c. Events Leading to Embassy Seizure

Several factors led to the seizure of the American embassy in Tehran, including the circumstances surrounding the exile of the Shah. The Shah and Empress of Iran and a small entourage departed Iran for Egypt on January 16, 1979, and for Morocco a week later.[39] The Bakhtiar government fell on February 1.

Early in February, the Shah announced that he would enter the United States on February 22. This created a delicate situation. An attack on the American Embassy by armed militants on February 14 had indicated the depth of hostility toward a continuing official American presence in Iran.[40] The Moroccan government was exploring ways to deport the Shah and contacted a United States public relations firm for assistance in arranging his entry into the United States.[41]

While Morocco intensified pressure on the Shah to depart, former Secretary of State Henry Kissinger and the chairman of the Chase Manhattan Bank, David Rockefeller, worked to encourage the Bahamas to accept the Shah and his entourage.[42] On March 30, the Shah left for the Bahamas, but expressed displeasure with his status. Kissinger and Rockefeller lobbied the Carter administration to allow the Shah to come to the United States.[43]

In late September 1979, it was disclosed that the Shah had been suffering from two forms of cancer for several years. On October 21, President Carter, citing the Shah's declining health, allowed him to be admitted to the United States from Mexico.[44] The President also instructed the United States charge d'affaires in Tehran, Bruce Laingen, to inform Prime Minister Mehdi Bazargan of the latest developments. The Iranians were skeptical of United States motives.[45] They criticized the decision, arguing that the Shah should be treated in Western Europe. Carter stood firm, but he made it clear that the Shah was being admitted solely for humanitarian reasons.[46]

Despite predictions of a major anti-American reaction in Iran if the Shah were admitted into

the United States, the initial response of the Iranians was "curiously muted."[47] Other events, however, heightened Iranian distrust of American motives. For instance, National Security Advisor Zbigniew Brzezinski met in Algiers with Mehdi Bazargan, Foreign Minister Ibrahim Yazdi and Minister of War Mustafa Chamran on November 1, 1979. On that day in Tehran, huge crowds demonstrated in anti-American processions, and nearly two million demonstrators chanted "Death to America" while listening to provocative speeches about the criminal harboring of the Shah by the United States. That evening Iranian television showed pictures of Brzezinski meeting with the Iranian delegation. Iranian extremists "interpreted this as evidence of the Bazargan government's collusion with an American that had just given refuge to the Shah, whom they held responsible for all their problems." [48]

On November 4, 1979, less than two weeks after the Shah was admitted to the United States, a massive demonstration occurred in Tehran. Hundreds of thousands of protesters marched through the capital commemorating the first anniversary of the killing of students by the Shah's troops.[49] During the mass demonstration about 400 students, some of them reportedly armed, forced open the gates of the United States embassy and scaled the compound walls.[50] After entering the compound, the students encountered little resistance. A small group of United States Marines stationed on the grounds fired tear gas canisters to no avail. The students rushed into the embassy buildings and took all the personnel hostage.

The students announced in a press conference that day that the captives would not be released unless the exiled Shah was returned to Iran to stand trial. They also claimed that their actions had received the support of Iran's assembly of constitutional experts, which was dominated by the clergy and had voted that day in favor of the seizure.[51] A spokesman for Khomeini claimed that the occupation had the religious leader's personal support.[52]

2. The Election of a President and a Majlis

Within weeks of the taking of the hostages, the assembly of experts completed its work on the new constitution.[53] The constitution introduced in the summer of 1979 had been entirely reworked into a document creating a theocratic state. Islamic jurisprudence served as the foundation, the cleric community was the key institution, and the faqih, or islamic jurist, played a vital role in the state.[54] Rival political parties continued their opposition to the constitution, but were ultimately defeated by the IRP.

With the constitution in place, Khomeini turned his attention to the first presidential elections for the Islamic republic. The IRP, suffering from disorganization after the disqualification of its leading candidate,[55] was defeated by Abol-Hasan Bani-Sadr.[56] Bani-Sadr, who viewed himself as the "spiritual son" of Khomeini, enjoyed a broad margin of victory; a margin that did not accurately reflect his political power.[57] Because Bani-Sadr interpreted the results as a personal endorsement and a rejection of the IRP,[58] he believed that he could transform his electoral victory into control of the Majlis in the forthcoming parliamentary elections and ultimately control the appointment of cabinet officials.[59] This was not to be.

IRP leadership took a different view of the parliamentary elections and Bani-Sadr. Ayatollah Beheshti [60] suggested that Bani-Sadr was incapable of leading a country in a state of revolution, and that the IRP would support his presidency only so long as he pursued a militant Islamic path.[61] These political disputes, along with the American hostage crisis and the impending war with Iraq, severely strained the revolutionary government.[62]

Bani-Sadr failed to win a majority in the Majlis elections (held in two stages in March and May, 1980). Of 234 deputies elected, more than 130 were IRP members, while Bani-Sadr's supporters took only a "handful" of seats.[63] The Majlis elected Hashemi Rafsanjani as its speaker, and the power struggle shifted to the cabinet's composition.[64] Bani-Sadr suffered further defeat in the summer of 1980 when, after a prolonged power struggle in June and July, he accepted the IRP prime minister candidate, Mohammad-Ali Raja'i.[65] Bani-Sadr and Raja'i then fought bitterly over cabinet appointments, with Bani-Sadr seeking educated and experienced people while Raja'i sought those who were "one hundred percent Islamic and revolutionary." [66]

The prime minister's selection and the opening of the Majlis did not put an end to Iranian political struggles. In fact, political rivalries intensified in the late summer and early fall of 1980. Harold H. Saunders, Assistant Secretary of State for Near Eastern and South Asian Affairs, received a report in mid-July that the Majlis "already shows all the signs of being a shambles. It will not be an effective legislative instrument because its members lack experience . . . [and] because many of its members will use it as a debating chamber . . . . To the west, the hostage issue comes first; to the Iranians it has slipped down the list." [67]

3. The Islamic Government's Motives in the Hostage Crisis

The 1979 Islamic revolution totally changed Iran's politics and governmental system. Because Khomeini's followers tried to promote radical, anti-American Islamic fundamentalist revolt throughout the region, while forming factions and competing for power among themselves, they had motives for sustaining the hostage crisis.

First, the Khomeini government wished to destroy relations with the United States because Iran's leaders saw any United States presence as a threat to subvert the revolution and their rule. "Your government has not yet given up the idea of ruling Iran," Bani-Sadr told Washington in November 1979. [68] Khomeini said, "Our relations with the United States are the relations of the . . . plundered with the plunderer . . . What need have we of the United States?" [69] Ayatollah Hussein Ali Montazeri told the Muslim world that the crisis showed, "You do not need the United States. The United States needs you." [70]

Second, Iran's leadership wanted to discredit Iranian moderates as American puppets, disparage the policies they advocated, and deny them United States support. The main targets of this assault shifted during the crisis, from pro-Shah or centrist forces (like Bakhtiar, deposed in February 1979), to moderate Khomeini supporters (like Bazargan, deposed in November 1979), to less militant revolutionaries (like Bani-Sadr, deposed in 1981). As a leftist leader noted, "Without the embassy attack there would never have been any radicalization, still less a change in the government team." [71]

Third, Iran's new leaders wanted to rally the public behind a program of anti-American Islamic solidarity by sustaining a crisis in which the United States could be portrayed as a threat and a villain. In a period of intense civil conflict—with leftist and ethnic groups in revolt, and material deprivation sparking public discontent—a battle with the United States was a vital prop for the regime.

Finally, Iran's leaders used the crisis—and their own zeal in opposing the United States and any compromise—to compete against factional rivals, who they portrayed to Khomeini and the public as too conciliatory and too fearful of the United States. Once Khomeini endorsed the embassy takeover, hostage taking and breaking ties with the United States, any Iranian politician seeking to end the conflict could be portrayed as disloyal. [72]

Added barriers to a quick resolution were the absence of any clear structure of authority in Iran [73] and the difficulty in convincing Khomeini, who had to approve every decision, to make a deal. [74] Any Iranian politician who tried to broker a compromise risked his own position. These factors made it difficult for United States officials to accurately evaluate representations made by those in power. Throughout the crisis, discussions would repeatedly break down as United States officials misread Tehran's hard line.

B. United States Response to the Crisis

Early in the crisis, Secretary of State Cyrus Vance was told by a prominent Islamic statesman that the United States would not win freedom for the hostages until Khomeini had "put all the institutions of the Islamic revolution in place." [75] But rather than wait for this to occur, the United States left no stone unturned in pursuing a solution. With hindsight, it is clear that the hostages were released only when they were no longer useful in consolidating the Islamic revolution, and that all attempts to free them were thwarted by the political struggle inside Iran. In the days and months following the hostages' seizure, however, the United States used every tool at its command to gain their release.

Within the United States government, central responsibility for the crisis was lodged in the State Department. Almost immediately, the Department established an "Iran Working Group" to monitor the crisis.[76] The Working Group was staffed 24 hours a day by people from various components of the Department,[77] and headed by Harold Saunders.[78] Henry Precht, the director of State's Office of Iranian Affairs, was the operational head of the group, which had as its primary function the development of channels of communication. With the United States Embassy out of service, and CIA and Defense Intelligence Agencies links severed, members of the Working Group had to develop new methods of gathering information inside Iran.

It soon became clear that, although technically able to speak with individuals inside Iran,[79] the United States did not know with whom, in the midst of the revolution, they could effectively communicate to resolve the crisis. The United States Embassy's Charge d'Affaires, Bruce Laingen, Laingen's deputy Victor Tomseth, and Security Officer Michael Howland were not among the hostages seized at the Embassy because they had been visiting the Iranian foreign ministry when the embassy was attacked.[80] Initial hopes for establishing a diplomatic channel via Laingen's direct access to Iranian Prime Minister Mehdi Bazargan and Foreign Minister Ihrahim Yazdi were dashed when efforts by those men to convince Khomeini to release the hostages failed. Bazargan resigned in protest, leaving the reins of government in the hands of the radical Revolutionary Council forbidden by Khomeini to communicate with the members of the United States team.[81]

To attempt to understand the situation inside Iran, the Working Group focused on the vast network of people in the United States with family or friends within Iran. The Working Group coordinated all units of the United States government working on the issue, identified and prepared courses of action, and formulated them for presidential decision.[82] Each day the Working Group prepared a memorandum for the White House,[83] titled an "Iran Update", in which they summarized the day's events and indicated what they would be doing the following day.[84]

The Working Group was in constant contact with some agencies such as United States Immigration Service and the Department of the Treasury concerning public affairs issues.[85] Although they received some information from the intelligence community,[86] for operational reasons, CIA-developed intelligence stayed within the CIA which had its own channels of communication.[87] The National Security Council provided the forum to bring cabinet level officials together to coordinate policy decisions.[88] The crisis-management tool of the NSC was the Special Coordination Committee (SCC), which was chaired by Zbigniew Brzezinski and met almost daily.[89]

Members of these crises teams focused on a two-track strategy: to maximize communication with Iran to effect the release of the hostages, and to exert pressure on Iran via economic sanctions[90] and, if appropriate to use military force.[91] In exploring these options, the United States had to balance concern for the safety of the hostages held in Iran against national humiliation and the view that the United States was impotent to protect its own citizens.

1. Official Communication Channels

The United States explored every potential channel of communication inside and outside the normal diplomatic apparatus. On November 6, President Carter sent former Attorney General Ramsey Clark and former Foreign Service Officer William Miller to Iran to ask for release of the hostages. It was thought that Clark, who had been to Tehran and met with people in Khomeini's circle, would be viewed as someone sympathetic to Iranian grievances.[92] Although the United States wished to keep this mission secret, the press reported it on Tuesday night, November 6, and by Wednesday morning Khomeini had forbidden any contact with the United States.[93] When this initial effort failed, the United States turned to others for assistance. If someone had a relationship, contacts or a communications channel that could produce useful information, they were consulted by United States officials.

a. The Swiss

While it is customary when diplomatic relations are broken for each government to appoint a "protecting power" to help conduct its business in the other's capital, the Swiss gov-

ernment began supporting United States political interests in Tehran long before the United States broke relations with Iran.[94] As the Swiss Ambassador to Iran, Eric Lang, became a bearer of sensitive United States messages to key Iranians, a principal analyst of political dynamics in Tehran, and an independent source of judgment on other negotiating channels.[95] Lang communicated with the Swiss Ambassador in the United States, who communicated directly with the Working Group. Lang's primary contacts in Tehran were Sadegh Ghotbzadeh and Bani-Sadr, whom he described as a "very, very honest man" who wanted to solve the hostage problem.[96]

b. The PLO

The PLO began almost immediately to address the hostage issue as well, signaling the United States that they sought no *quid pro quo* and were essentially acting on their own and not as mediators.[97] The United States initially sought through the PLO assurances that Khomeini could effect the release of the hostages. In response the United States received word on November 9, 1980 via PLO channels that Khomeini was seriously considering the release of women and black hostages. On November 14 the United States was notified again through the PLO that Iran was prepared to release these hostages but expected a United States statement regarding the departure of the Shah.[98] Although no statement was issued, Iran released thirteen women and black hostages on November 18 and 19. PLO officials remained active for more than two months, until early in 1980, when they apparently judged the situation in Iran so chaotic as to preclude their assistance.[99]

c. The United Nations

On November 13, Iranian Foreign Minister Bani-Sadr called for a United Nations Security Council meeting accusing the United States of creating an "atmosphere of war".[100] Mansour Farhang, an Iranian active in the human rights movement who was in Washington when the hostages were seized, organized a group of Iranians and Americans to propose UN mediation to Bani-Sadr and through him, to the Revolutionary Council.[101] The Revolutionary Council, which at that time had moderate elements, "thought it was a good idea," and asked Farhang to go to the United Nations as their representative to organize an international tribunal to investigate alleged United States crimes against Iran.[102]

The United States believed that convening such a tribunal would "constitute further and grave violations of international law" and would substantially undercut the standing and prestige of the United Nations. The United States government insisted that Iran should release the hostages *before* Iran's grievances could be discussed.[103] Secretary General Waldheim announced the United States position to the Iranians on November 17: 1) Release of all American personnel held in Tehran; 2) The establishment of an international commission to inquire into violations of human rights in Iran; 3) The availability of United States courts to hear Iranian claims for return of assets believed illegally taken from Iran; and 4) Affirmation of Iran and the United States that they would abide by the Declaration of Principles of International law . . .[104]

Bani-Sadr sent two representatives to New York, where negotiations with the United Nations and United States intermediaries narrowed the differences between the Iranian and the United States positions, and plans were made for Bani-Sadr to address the United Nations and meet with Vance to agree on a final position.[105] Waldheim called for a Security Council meeting and debate began on December 1. Bani-Sadr, who had apparently failed to convince Khomeini that he should attend the debate, was removed as Foreign Minister. On November 28, Ghotbzadeh became the third Iranian foreign minister in as many weeks.

Debate ended on December 4 with unanimous passage of Resolution 457, calling for the release of the hostages and for the United States and Iran to resolve peacefully the remaining issues between them. On December 22, the United States formally requested the United Nations Security Council to "consider measures which should be taken to induce Iran to comply with its international obligations."[106] On December 31, the Security Council passed resolution 461, instructing Waldheim, who had left for Tehran, to "evaluate the United States-Iran confrontation and to report the results of his mission by January 7. If he made no

progress, the Council would adopt economic sanctions."[107] When he returned to the United States, Waldheim met with President Carter and asked that the United States government put aside its intention to seek economic sanctions and make an offer to constitute an international tribunal to investigate the crimes of the Shah in exchange for release of the hostages.[108] Carter rejected this proposal—he wanted the hostages released first.

On January 13, 1980 the Security Council voted on the sanctions. The Soviet Union vetoed the measure. The United States declared that it would proceed with sanctions despite the veto and called for other nations to join in. European nations unanimously refused to do so, arguing that severe economic sanctions would force Iran to turn to the Soviet Union. They urged United States patience.[109] The United States reiterated its intention to impose unilateral sanctions but stated these would be "held in abeyance" while diplomatic negotiations at the United Nations continued.[110]

On January 25, Bani Sadr was an easy victor in the Iranian presidential election, receiving between 75% and 80% of the vote.[111] After being confirmed by the Interior Ministry as the winner of the election, Bani-Sadr said that the hostages could be released if the United States acknowledged its "crimes" for supporting the Shah, approved Iran's right to begin proceedings against the Shah (presumably a trial), and offered guarantees not to interfere in Iranian affairs in the future.[112]

A United Nations-sponsored commission was named by Waldheim on February 18 and arrived in Teheran on February 23, 1980 to hear grievances relating to the Shah's reign. Although Bani-Sadr announced he was "now in a position to resolve the problem,"[113] the day the commission arrived, Khomeini announced that "the representatives of the people" (the Majlis or Iranian parliament) would decide on the release of the hostages.[114] Although the Majlis elections were scheduled for mid-March, it would not be able to address the issue until mid-April. On March 10, 1980, Khomeini announced that the commission would not be allowed to meet with the hostages until after the Majlis had issued its own report on the hostage situation. These conditions were unacceptable to the United States and the commission departed Iran the following day.[115] The United States would continue to explore ways to gain the release of the hostages.

d. International Court of Justice

On November 29, the United States had petitioned the International Court of Justice at the Hague to declare the hostage seizure illegal and order their immediate release.[116] On December 10, the Department of Justice implored the Court to take "the quickest possible action" to ensure the release of the hostages.[117] On December 15, the same day the Shah left the United States for Panama, the court issued a unanimous opinion ordering the release of the hostages.[118]

The State Department prepared briefs for the International Court to study in anticipation of a final decision on the case. On May 24, 1980, the Court acted on the United States appeal and issued final orders to Iran to release the hostages, condemned Iran for "repeated and flagrant" violations of international law, and mandated that it pay reparations for damages.[119] The Court also voted that Iran should return to the United States its diplomatic properties in Iran.[120] The captors at the United States Embassy rejected the decision, as did Khomeini.[121]

2. Private Channels

In addition to pursuing official channels, the State Department was continuously in contact with many private citizens who would become interlocutors between the United States and Iran. Because Khomeini was unreachable, the United States had to identify people around him with whom they could communicate. The following individuals were the most prominent "channels" utilized during the crisis.

a. Cyrus Hashemi

Among those who approached the United States government were two men who play prominent roles in the allegations under investigation by the Task Force: Cyrus and Jamshid Hashemi. Ultimately neither would prove reliable, but their contact with the United States government during this period perhaps created the appearance to some that they were acting

in an official capacity. For this reason, their activities are detailed here.

On December 7, 1979, Stanley Pottinger, a former official in the Justice Department under President Ford, wrote to Warren Christopher on behalf of his client, Dr. Cyrus Hashemi.[122] Pottinger enclosed a memorandum setting forth the issues Hashemi believed were of concern to Iran,[123] and suggested that Hashemi, who was in daily contact with "high levels of Iranian government," was willing to act as an intermediary.[124] Hashemi had already approached Ramsey Clark and claimed that he was in contact with "key individuals in Tehran", and that he hoped to arrange a meeting between Khomeini's nephew and a United States representative, possibly Clark.[125]

Christopher sent the letter to Saunders, who, because Hashemi proposed involving significant Iranians,(*i.e.,* that members of Khomeini's family) believed it merited attention.[126] Saunders met with Hashemi in Pottinger's office on December 12, before Hashemi was to return to Tehran.[127] He reported to the Working Group that Hashemi did not view United States concentration on contacts with those on the Revolutionary Council as the best approach to the hostage issue. Hashemi viewed Bani-Sadr and Ghotbzadeh as "uncertain in their positions" and "vulnerable to attack" and therefore unlikely either to tell Khomeini what he did not want to hear or to try to implement a course of action opposed by the revolutionaries.[128]

Hashemi recommended that the United States develop channels with individuals who had no immediate political ambitions such as himself, the Ayatollah Passendideh, Admiral Madani (a high ranking member of the Iranian armed forces),[129] or Dr. Mahmoud Moini, whom, Hashemi claimed, could explain the economic damage being done to Iran by United States pressure.[130] Hashemi proposed a two-step strategy: To establish contact between the United States and Khomeini governments by arranging a meeting with Reza Passendideh to discuss the release of the hostages; and to act as a conduit to provide financial support to Admiral Madani, who had fallen out of favor with Khomeini but was a credible candidate in the Iranian presidential elections to be held in January, 1980.[131]

Even at the outset, the Working Group was skeptical of Hashemi, concluding that while he "seem[ed] sensible", there was "a shadow of suspicion that he [was] serving his own personal interests," perhaps seeking to avoid lawsuits.[132] On December 21, Secretary of State Vance wrote to President Carter summarizing the Hashemi proposal to "find a channel direct to Khomeini" and indicating that Hashemi had informed them that Khomeini had approved a preliminary meeting between one or two American officials and three or four Iranians.[133]

Vance expressed skepticism about those who put "[themselves] forward as potential mediator[s]," saying that, while these people appeared to be responsible individuals, he had no way of "measuring their effectiveness to Khomeini."[134] Nevertheless, because the United States had "experienced the inability of members of the Revolutionary Council to follow through on proposals made to Khomeini." Vance recommended preliminary secret exploration of the Hashemi channel. While he did not hold "high hopes," it seemed to Vance unwise not to take seriously any reasonable proposal.[135]

On January 2, Saunders and Mark Feldman, State Department deputy legal advisor, met with Hashemi, Pottinger, Dr. Moini (representing his brother-in-law and Khomeini's nephew, Reza Passendideh),[136] and Mohammad Ali Balamian Hashemi (Cyrus Hashemi's step-brother).[137] The latter offered to establish direct contact with the Ayatollahs Passendideh and Khomeini to discuss the release of the hostages and an investigation of Iran's grievances.[138]

Following this meeting, Saunders and the Chief of the CIA's Near East Division, Charles Cogan, met on January 5, 1980 with the Hashemis in London to discuss implementation of the second prong of the proposal. Cogan was introduced as Saunders' "colleague." The brothers claimed to represent Admiral Ahmad Madani, who needed campaign funds to run for president in Iran.[139] Mohammad Hashemi said he was "fully mandated by Madani" to seek campaign funds from the United States.[140]

The CIA had desired access to Madani and the CIA viewed the Hashemi's as potential vehicles. Cogan called to set up a meeting with a key assistant to Ahmad Madani, Houshang Aranianpour, but said that Mohammed Hashemi need not attend.[141] Cogan gave the Hashemis a portion of the $500,000 in cash as an

initial contribution for the Mandani political campaign and said that there were "no strings attached," but that the United States government would like an accounting of how funds were spent and wanted the hostages back unharmed.[142] When Cogan asked how Madani would gain the release of the hostages, Cyrus Hashemi said that if the Passendideh mediation did not work and if Madani were not elected president, the hostages would be released as a part of an overall military action carried out under Madani's leadership.

On February 7, 1980, CIA officials determined that Mohammed Ali Balanian Hashemi, also known as Jamshid Hashemi, was a "trafficker in intelligence to whomever would buy it," and "dishonest and untrustworthy beyond belief." [143] They determined that one or both of the Hashemis had exaggerated some of their claimed contacts with Madani and had withheld ninety percent of the financial aid that was to be forwarded to him.[144] After confronting Jamshid Hashemi with what they had learned, the CIA demanded a full accounting from the Hashemis and terminated the relationship.[145]

Cyrus Hashemi, represented by counsel Stanley Pottinger, returned the half of the funds that had not been provided for the operation involving Madani. Another substantial portion of the funds were provided in a non-negotiable check for Iranian Rials to be cashed at a Bank in Iran.[146] By late February 1980, the CIA had ceased contact with the Hashemis because they were not "proving able to achieve the accomplishment of hostage release," because they had reports that prominent members of the opposition in Iran did not trust and respect the Hashemis, and because they had uncovered substantial information about fraudulent business dealings by the Hashemis—particularly Jamshid, "who [had] a record of working for foreign intelligence services." [147]

Meanwhile, Cyrus Hashemi's plan to arrange a meeting between United States officials and Reza Passendideh was still of interest. Hashemi "surfaced again" in late February, reporting to the State Department that Reza Passendideh would meet with Hashemi and Pottinger in Europe.[148] Saunders told the Working Group that he would brief Pottinger with "just enough to give him some innocent but cogent questions" to ask in order to determine whether there was anything to gain from the Passendideh contact "if it materiali[zed]." [149] He added that, at that point, the State Department, too "ha[d] taken [their] distance from" the Hashemis.[150] The meeting did not materialize until July 2, when Cyrus Hashemi, Reza Passendideh, Moini,[151] and Pottinger met at the Madrid Hilton.[152] Passendideh said that his "close relative" knew he was in Madrid, as did Bani-Sadr,[153] and after discussing methods for opening contact between Iran and the United States, they settled on a letter from then-Secretary of State Muskie to Bani-Sadr. Passendideh told the group that he was there because Khomeini's "key people" wanted to end the crisis.[154]

The only operative suggestion that flowed from the meeting was that Muskie send a message directly to Iran. By the time the meeting occurred, the Majlis was being formed and it would have been appropriate for there to be direct communication between the United States and the new prime minister. Thus, the meeting was not viewed as significant.[155]

On September 18, Saunders reported to the Working Group that Pottinger had advised him that Rafsanjani, Speaker of the Majlis, had asked Cyrus Hashemi to serve as one of two advisors to the Special Parliamentary Commission to consider the hostage crisis.[156] One week later, Saunders reported that Hashemi and Pottinger were trying to work Hashemi back into the negotiation process by offering to trace the Shah's assets. Hashemi claimed to have a list of the assets prepared by Ali Reza Nobari, head of the Iranian Central Bank. Hashemi also claimed to have submitted a paper to Majlis Speaker Rafsanjani pertaining to the use of the Shah's assets as a basis for a settlement of the crisis.[157]

Also, in September 1980, the United States government received second-hand information from a former employee of the Hashemis that they were helping the Khomeini regime to circumvent the United States arms embargo and sanctions and were distributing pro-Khomeini propaganda in the United States.[158] Indeed, in order to establish their bona fides with the Carter Administration, the Hashemis previously had claimed to have participated in the Khomeini government.[159]

Saunders advised the CIA that he was receiving conflicting information from Cyrus Hashemi on Khomeini's position regarding the

hostages. While receiving positive signals from his West German channel, he had more detailed information from Hashemi that Khomeini was "balking" at release of hostages in the immediate future. In early October 1980, the CIA uncovered substantial information about fraudulent business dealings by the Hashemis.[160]

Nevertheless, Cyrus Hashemi remained in contact with the State Department and "became interesting again" during the final negotiations, when he claimed to be in contact with Rafsanjani's office and provided some information on how United States proposals were being handled.[161] On November 17, the Working Group noted that Hashemi had reported "his impression" that a central Iranian concern was that funds in overseas branches of United States banks would not be available immediately.[162] Hashemi also reported that conflicting legal advice from private American lawyers on the extent of the United States government's ability to deal with the various claims and attachments was confusing to the Iranians.[163] Although Hashemi suggested he would go to Paris to meet with an aide to Raja'i, Roberts Owen, Legal Advisor, Department of State, and Lloyd Cutler, White House counsel, said the United States would meet directly to clear up any confusion.[164] That same day, according to Pottinger, Hashemi sent a telex to Raja'i giving his views on the financial aspects of the United States proposal *i.e.*, that Iran's financial interests could be protected.[165]

The Iranians indicated they wanted to maintain the existing channel of communication through the Algerians and not deal directly with the United States.[166] Moreover, toward the end of December, as Hashemi's information seemed to conflict with information received from other channels,[167] Saunders reported from Algiers that "Hashemi [was] not dealing with people who [were] plugged in" to the negotiations, and expressed his concern about "crossing wires."[168]

Clearly Cyrus Hashemi's insights and suggestions were not generally of much value to the United States government.[169] Henry Precht, who, as operational head of the working group, had the most detailed information from all the private channels, believed Hashemi to be "unreliable".[170] The State Department, always suspicious of Hashemi's motives, did not rely heavily upon him, but his judgements about the powerlessness of Bani-Sadr and Ghotbzadeh were consistent with other analysis of the situation.

b. Professor Richard Cottam

Many others in contact with the United States government, such as Professor Richard Cottam, professor emeritus at the University of Pittsburgh, proved valuable to the United States in interpreting events in Iran and corroborating or refuting information provided by others. Professor Cottam, who had spent a year in Iran as a Fulbright scholar in 1951 was an early source and conduit for information.[171] Not only were his educational credentials impressive, he had worked for the United States government and been stationed in Iran from 1956 to 1958.

Given Cottam's background and previous contacts with Precht,[172] he was a natural "channel" of communication. Cottam's communications with Ghotbzadeh [173] and others were reported in Iran updates as early as November, 1979. On December 11, 1979 Cottam called Ghotbzadeh at Precht's request to "take soundings on Iranian internal debate on ending the crisis."[174] Ghotbzadeh said he knew Iran's "ultimate condition" (presumably extradition of the Shah) could not be met but that Iran would need some concessions from the United States.[175] At the end of the conversation Ghotbzadeh said he hoped to see Cottam "very soon," which Cottam understood as a coded reference, which they had agreed on earlier, indicating that a settlement might be near.[176]

The first information from Ghotbzadeh that Cottam was able to corroborate concerned the possible extradition of the Shah. With the Soviet invasion of Afghanistan in December, 1979, Ghotbzadeh had become aware of the internal and international costs that Iran paid for the holding of the hostages.[177] He had tried to work with the United States on the United Nations Commission of Inquiry, while at the same time emphasizing his plan to extradite the Shah to Iran.[178] He told Cottam that he did not believe Khomeini would be receptive to the argument that, once the hostage issue was resolved, Iran could assume a role in opposing the Soviets.

The State Department was advised by Ambassador Lang, also in touch with Ghotbzadeh,

that he was interested in a three-point United Nations Security Council resolution that could form the starting point for a shared United States-Iranian interest in Afghanistan.[179] Ghotbzadeh believed the Security Council should recommend as "parallel and interconnecting," the following: extradition of the Shah and restitution of imperial assets by the Americans and release of the hostages by the Iranians.[180] Although Lang, as had Cottam, pointed out the difficulties of extradition, Ghotbzadeh remained focused on the concept, saying we should not be deterred by "technicalities." [181]

Cottam also reported to the State Department that Iranian presidential politics seemed to be at play in Ghotbzadeh's interest in reaching a settlement, as he believed a settlement would advance his own political fortunes.[182]

After Bani-Sadr was elected president, Cottam was advised that there would be no real progress until he had parliamentary control.[183] This was echoed by Ambassador Lang.[184] Ghotbzadeh told Cottam that he and Bani-Sadr were "not getting on well" in early February, but that he expected to remain in office for two months.[185] In those months he continued to work diligently to extradite the Shah and gain the release of the hostages.

c. The French Lawyers and Ghotbzadeh

One channel that appeared to have the most likelihood of ending the hostage crisis was Hamilton Jordan's contact with Ghotbzadeh through French lawyers Francois Cheron and Christian Bourguet, and Argentine businessman Hector Villalon. Jordan's contacts with the lawyers originated from his relationship with Panamanian President Omar Torrijos, cultivated during the Panama Canal treaty negotiation. Jordan, who had arranged the transfer of the Shah from the United States to Panama, hoped "to create a better atmosphere for resolving the hostage crisis." [186]

As noted above, Ghotbzadeh had raised with Cottam the issue of the Shah's extradition from Panama as a first step towards the release of the hostages, and, despite Cottam's skepticism, Ghotbzadeh seemed confident Panama would surrender the Shah.[187] Panamanian officials suggested to Jordan that he meet directly with the French lawyers to discuss extradition. He agreed, and on January 19, 1980 Jordan and Saunders met in London with Bourguet and Hector Villalon.[188] During the meeting, Bourguet called Ghotbzadeh directly in Tehran. While Ghotbzadeh would not speak with Jordan, it clearly demonstrated Bourguet's access to the Iranian foreign minister.[189]

Nearly three months of serious and extremely sensitive negotiations followed. Given the fact that Khomeini had forbidden such direct contact, these meetings and this channel of negotiations were viewed as the most hopeful channel then being pursued. On February 4, President Carter noted in his diary that President Bani-Sadr was "sending word to us directly that he wants to proceed with the resolution of the hostage question" but that he "does not want us to identify him as a friend of the United States or as a moderate. He wants to be known as a revolutionary, protecting the interests of Iran against both superpowers' threats." [190]

In fact, in mid-February, Jordan held a secret, face-to-face meeting with Ghotbzadeh in Paris. What was most encouraging about the meeting was the fact that it happened at all.[191] Villalon reported to the State Department on March 3 that "they had worked all day to perfect the final stages of the scenario."[192] The final step in the scenario was for the Joint Commission "to resolve all unresolved bilateral problems" on a date to be determined by Iran and the United States within one month *after* the transfer of the hostages from the students' custody.[193] As the days passed and nothing happened, the United States considered "stiffer measures" against Iran.[194]

The failure of the United Nations Commission to influence the hostage transfer, the departure of the Shah from Panama to Egypt on March 23,1980, and political strife between clerics and secular leaders in Tehran all diminished the prospects for success through the Jordan channel. The French lawyers had been unable to reach Panama with their extradition papers prior to the Shah's departure. The Iranians, urged on by numerous press reports in Panama and America, believed that Henry Kissinger and David Rockefeller had orchestrated the Shah's flight to Egypt.[195]

With the situation deteriorating, Carter sent a letter on March 25, 1980 indicating that if the hostages were not transferred to Iranian government custody by March 31, additional "non-

belligerent" measures would be taken. Carter decided to delay imposition of more severe economic sanctions if certain steps were taken by Iran. These prospects were complicated on March 29 by the appearance in Iran of an "apology letter" supposedly sent by Carter to the Iranian government. The White House immediately denied the authenticity of the document, but media speculation about the letter continued. As Jordan recalled, "the American media thought there was a greater chance that their own president was lying to them than there was that the Iranian Revolutionary Council was lying to them."[196] On March 31, Bourguet told the White House that Bani-Sadr had met with the student leaders and would announce the details of a hostage transfer in a speech scheduled for noon the following day.[197]

Early the next morning, Vance, Brzezynski, Christopher, Saunders, Aaron, Jordan, Powell, and Sick joined the President in the Oval Office to listen to and read the translation of the speech delivered by Bani-Sadr. They had also received the night before an advance copy of a four-page statement, attributed to Khomeini, rejecting any transfer of the hostages to government control.[198] Because of the shifting political landscape in Iran, as well as these apparently contradictory Iranian statements, there was uncertainty in the Oval Office as to an appropriate response. Jordan told the Task Force that the President and his top advisors recognized by that point that Ghotbzadeh, and even Bani-Sadr, had limited power. At that time, however, this channel was their only close option for a release of the hostages.[199]

In response, President Carter adjourned the meeting and told a press conference at 7:20 a.m. that Bani-Sadr's statement represented a positive step, and that the United States would defer imposition of additional economic sanctions.[200] It was becoming clear that moderate secularist elements in Iran, such as Ghotbzadeh, were losing in the power struggle with Khomeini's clerical faction and could not control the hostage situation.[201]

It became obvious within a few days that Ghotbzadeh and Bani-Sadr would not be able to pull off the transfer of the hostages to government custody.[202] Because President Carter had called the Bani-Sadr speech a "positive step" on the morning of the Wisconsin Democratic primary, many commentators and key Reagan campaign officials later viewed this as an attempt by President Carter to use the hostage crisis to manipulate the American political process. Jordan, along with the others who participated in the meeting on the morning of April 1, flatly deny this.[203]

On April 7, 1980 President Carter broke diplomatic relations with Iran and ordered imposition of the sanctions that had been rejected by the UN Security Council.[204] The United States intensified planning for a military rescue. On April 11, 1980 President Carter approved military action and told Secretary Vance that, for secrecy reasons, the State Department was not to be involved in planning the mission.[205]

The mission began on the evening of April 24, 1980, when eight helicopters took off from an aircraft carrier near Iran. Several helicopters developed mechanical problems and dust clouds caused navigational problems.[206] The commander on the scene aborted the mission, with President Carter's concurrence. During the evacuation, a helicopter collided with a refueling aircraft, killing eight United States military personnel. The failed rescue mission prompted the resignation of Secretary Vance and forced the United States to seek alternate routes to achieve the hostages' release.

The failed mission also strengthened radicals in Iran who argued that the United States was cooperating with moderate Iranians. When the Majlis convened on May 28, the IRP held an overwhelming majority. State radio denounced the Foreign Ministry as soft on America and the international commission as a United States tool. Hasan Ayat, an IRP leader, said on June 20 that Bani Sadr was a United States agent, "acting like the Shah" and "towing the United States line."[207]

Most members of parliament spoke in favor of putting the hostages on trial. On July 20 Khomeini again endorsed the radicals, denouncing Bani-Sadr's regime as non-revolutionary, urging more militancy, and adding, "We cannot tolerate those people who have been educated in Europe."[208] While the new Majlis speaker Rafsanjani and Bani-Sadr again spoke on August 1 of a quick solution, Rafsanjani and Ayat called for putting the hostages on trial. When Muhammad Ali Raja'i was made prime minister on August 11, Beheshti openly said that Bani-Sadr would have no more au-

thority. A new cabinet was not named until September 2.[209] On September 10 the Majlis formally approved the fourteen-man cabinet of Prime Minister Mohammad Ali Raja'i.[210]

d. Sadegh Tabatabai

In early September, Iran, through West German diplomatic channels, indicated some interest in discussions with the United States government to resolve the crisis.[211] On September 10, 1980, the State Department received a cable from Gerhard Ritzel, the German Ambassador to Iran. Ritzel reported that an Iranian, Sadegh Tabatabai, had visited him on September 9, 1980 and had set forth conditions for the release of the hostages which Tabatabai said had been approved by Khomeini.[212]

Although the message from Iran was viewed with skepticism, the reliability of the German intermediaries lent it greater credence. President Carter approved efforts to pursue this channel and the Germans were asked for authentication from Tabatabai. Khomeini gave a speech several days later and announced the four issues to be resolved before the hostages would be released.[213]

On September 15 and 17, 1980 Warren Christopher and a small team of Americans met with Sadegh Tabatabai and Hans-Dietrich Genscher, the German foreign minister, at a German guest house near Bonn.[214] During the first meeting, Tabatabai raised the issue of arms already paid for by Iran but not yet delivered because of the arms embargo.[215] Christopher explained to Tabatabai that this issue would only complicate negotiations, but that about $50 million in spare parts could be shipped promptly to Iran when the crisis was resolved.[216] The issue was not raised again during the negotiations in Germany.[217] Christopher and Tabatabai ended their two days of negotiations confident that the hostage crisis would be resolved shortly.[218] They agreed to confer with their respective governments and meet again in late September.

On September 22, 1980, ten days after Khomeini's speech on the conditions for release of the hostages, and five days after the meetings in Germany, Iraqi forces launched multiple military attacks against Iran, its airfields, and its cities, including Tehran.[219] Iran and Iraq had a long history of troubled relations. Border clashes had occurred in April 1980.[220] Iraq's September invasion and declaration of war (which Iranians believed had been ordered by the United States) had direct consequences for the hostage negotiations.[221]

In the short-term, the invasion focused the attention of Iranian leaders on the war.[222] The war also intensified the political struggle between Bani-Sadr and Raja'i. This struggle, however, highlighted the decline in Bani-Sadr's power, as well as the political gains of the IRP. On October 12, Khomeini named Bani-Sadr as the chairman of the Supreme Defense Council, which had broad powers to conduct the war.[223] Raja'i, however, instructed government departments to deal with Bani-Sadr only through his office.[224] Raja'i also took steps to control Iranian foreign policy, including personally taking Iran's case against Iraq to the United Nations Security Council in mid-October, 1980. Bani-Sadr reacted in late October by asking Khomeini to use his power to dismiss the Raja'i cabinet, but Khomeini refused.[225] In a newspaper column, Bani-Sadr accused the IRP and its Majlis members of "undermining the war effort, breaking the spirit of the army and acting as 'a poison dagger that strikes at our heart from behind.' "[226]

In addition to reigniting the internal political struggle, the Iranian leaders became aware of the impact on their war effort of their international isolation.[227] This isolation manifested itself in a number of ways, including the slow sale of oil in international markets and the lack of access to military material and badly-needed spare parts.[228] Iran's isolation was further demonstrated in Raja'i's visit from October 16–19 to the United Nations, which Iran had boycotted since the Security Council called for the release of the hostages.[229] Raja'i was at the United Nations to press Iran's case against Iraq, but "learned firsthand the lack of sympathy for Iran as a result of its holding hostages."[230] Raja'i called for a condemnation of Iraqi aggression, but was answered by efforts to discuss the hostages.[231]

When Tabatabai returned to Tehran ten days later, he reported the results of his meetings with Christopher to the Iranian leadership.[232] They decided that the assurances of the United States government had to be reviewed by the Majlis, which had already approved a seven-man commission on September 30, 1980 to ne-

gotiate the conditions for the release of the hostages.[233]

Following Tabatabai's initial request for arms during the September meetings with Christopher, the Department of Defense prepared an inventory of arms purchased by Iran but not delivered because of the embargo. The NSC thought that a discussion of some arms might break potential deadlocks in the negotiations and planned for this possibility.[234] The Defense Security Assistance Agency prepared a complete list of critical and noncritical end items, spare parts, and repairable items valued at about $550 million.[235]

On October 9, 1980, Ambassador Gerhard Ritzel,[236] in a cable to Bonn, relayed reports of Tabatabai's fruitful meetings in Iran.[237] He also reported that the Majlis Commission intended to add conditions to the release of the hostages, but within the framework of what had been discussed between Tabatabai and Christopher.[238] On October 10, 1980, Ambassador Ritzel cabled through Bonn to the State Department that Tabatabai had asked if the U.S. could provide a list of goods, and their value, which had been ordered by Iran but not delivered.[239] At this same time, the State Department prepared an analysis suggesting that it would be contrary to United States declarations of neutrality in the Iraq-Iran war not to supply the military spare parts which had been ordered and approved for sale to Iran.[240]

Prior to reviewing the Carter administration's ultimate response to the Tabatabai request by including spare parts and military equipment among the frozen assets it would unfreeze upon the hostages' release, the Minority would note the following historical observations: First, according to former NSC staff member Gary Sick, on October 11, the Carter administration in response to the Tabatabai request began constructing a package of military equipment that would be attractive to the Iranians while avoiding items that were very sensitive (such as electronic counter measures devices) or highly lethal (such as missiles, bombs and torpedoes).[241] As Sick later wrote, "[m]any of the items would be of little value to the Iranian air force, but others could potentially be quite important."[242] Second, Sick's superior, National Security Advisor Brzezinski, also noted that, in the wake of the outbreak of the Iran-Iraq war, the United States "began to hold out that option [of including spare parts among the frozen assets to be released] as a way of enticing the Iranians into a prompt settlement. By the middle of October, we were even discussing among ourselves the possibility of pre-positioning some of these spare parts in Germany, Algeria, or Pakistan, so that the Iranians could then promptly pick them up with their own aircraft."[243] Indeed, Brzezinski described to the Task Force the Carter administration's approach to the spare parts issue as follows: "Our position was, you have grabbed our people. We have grabbed your stuff in retaliation. You release our people. We will release your stuff. Since some of that stuff was military equipment, and they were now under duress with the Iraqi invasion, our thinking was they may be more susceptible to entertaining the idea of a quid pro quo."[244]

In any event, President Carter ultimately approved the package, and Christopher responded by cable to Tabatabai's request on October 11, 1980, by providing a list of previously purchased spare parts, military equipment and cash valued at approximately $230 million that could be made available upon release of the hostages.[245] On October 13, Bonn reported that Tabatabai had been told of the cable and that he had advised Bani-Sadr.[246]

The Majority notes here that President Carter reiterated his position to Christopher that only previously purchased non-lethal spares would be available following the release of the hostages. The President also asked Christopher on October 14, 1980 to seek German Foreign Minister Genscher's view on pre-positioning selected military spare parts outside the United States as proof of U.S. intentions and as a potential way to deflect an Iranian suggestion of a staggered hostage release. Later in the day, he again spoke with Christopher and agreed with Genscher's suggestion that the proposal to pre-position these spares not now be made.[247] Christopher told the Task Force that staff discussions at various levels were ongoing during this period, and that lists of assets being prepared were

> ". . . on an entirely contingency basis so we would be in a position to move quickly if the Iranians at least started a conversation.

We were very anxious in this period, of course, to be in a position to move rapidly, not for any other reason than every day longer that the hostages were there was one more on our minds.

So, frustrated by not having heard back from Tabatabai, I think all of us in the working group were trying to find some way to jump-start the negotiations again. And I can only think that Gary [Sic] and his people were sending these lists forward so they could be used if the negotiations could be restarted, which they weren't.

* * * * *

I would want to emphasize that from my standpoint President Carter never signed off on any final offer to be made, except the document he finally signed on the 20th of January.

But he did, I think reluctantly, agree that we should be prepared to discuss that issue. It was pretty consistent with the instructions he gave me before the original Tabatabai meeting.[248]

On October 18, Christopher sent a cable to Genscher asking whether it would be useful to pass to the Iranians "at the highest level possible" several draft orders that the United States was prepared to execute. These orders dealt with release of assets frozen since the seizure of the hostages, including $2.5 billion in funds frozen in the Federal Reserve in New York and $4.9 billion in funds frozen in overseas banks; and making available upon the hostages' release "certain military equipment and spare parts previously purchased by Iran." The offers in the cable would be "available for acceptance only for a limited period." Christopher did not receive a response and did not meet again with Tabatabai.

The Majority would further note that the State Department was reviewing the situation as a result of various simultaneous events—Tabatabai's request, the Houshang Lavi initiative,[249] and a request from Israel that they be allowed to ship arms to Iran.[250] As stated in an October 22, 1980 message to the Israelis, "[t]he position of the United States has consistently been that when the hostages are released the United States could consider unblocking certain military orders stopped in transit. . ." [251]

On October 28, President Carter stated his position regarding the availability of the frozen assets in the Presidential debate.[252]

Approval of Khomeini's four conditions by the Majlis was delayed for three weeks due to parliamentary maneuvering and the boycotting of sessions by extremist members.[253] Ahmed Salamatian, a former member of the Iranian Parliament, reported these delays in the hostage discussions, but he attributed them to the creation of a commission to negotiate the release terms.[254] Other reports surfaced suggesting widespread confusion in the Iranian government.[255] Tabatabai advised he was "not optimistic" because the "entire leadership [was] tied up with the war with Iraq." [256]

On November 2, 1980, the Majlis voted to approve the four conditions for the release of the hostages.[257] On November 3, 1980, formal Iranian Resolution documents were presented to the State Department by the Algerian government.[258] Seven days later, Christopher departed for Algeria [259] for the first in a series of meetings that would lead to the release of the American hostages on January 20, 1981.[260] While it is not clear that Iranian leaders made a considered decision regarding the timing of the election eve conditions for the release of the hostages, in the end, they saw their contribution to Carter's defeat as demonstrating the revolution's power, proof that the United States did not control Iran and that the United States' leaders must tremble before Tehran.[261]

C. The Banking Channel and Final Negotiations

On January 7, 1981, Warren Christopher and a full negotiating team again travelled to Algiers to work directly with Foreign Minister Benyahia and the Algerian negotiating team. With the dispatch of Christopher and his negotiating team, the United States entered the final two-week period of the negotiations. Working twenty-four hours a day, the negotiations took place among six separate locations. The President, his counsel, Lloyd Cutler, and others involved in the financial side of the negotiations stayed principally in Washington. The banks

had personnel in Washington, New York, London, and Algiers. Christopher and his group were in Algiers with Benyahia, where the final papers were being written. An Algerian negotiating team was also in Tehran to work directly with the Iranians. Attorneys representing Iran were in London, New York, and Frankfurt, Germany.[262]

The issues to be resolved in this last fortnight were exceedingly complex and filled with complications.[263] The process by which these financial issues were ultimately disentangled has been fully treated in Chapters 5 and 6 of *American Hostages in Iran.* The Task Force set out to understand this part of the negotiations in order to enable it to answer the question: Was the release of the hostages on the day of the inauguration of President Reagan the final act of an October Surprise deal or merely the culmination of difficult negotiations handled in good faith by all parties? To this end, all of the participants in this aspect of the negotiations were interviewed by Task Force counsel.

1. Record of the Negotiations

On January 15, 1981, after weeks of advances and setbacks in the negotiating process, the Iranians said they would accept the following terms: (1) paying off outstanding bank loans totaling $4.8 billion, either immediately or subject to verification at a later date; (2) returning the hostages upon the receipt of $8.1 billion, and; (3) accepting in principle the United States proposal that $2.2 billion in deposits in the United States be returned later, with a $1 billion escrow account established as security for a claims program.[264] This proposal raised problems [265] but, in principle, was acceptable to all parties. A meeting was convened for the next day. After a day-long session on January 16, the banks agreed to the proposal with slight modifications.[266] Warren Christopher sent the cable containing the counter offer to Tehran on the morning of January 17. By day's end, after hours were spent correcting technical errors in the language of the documents, Christopher reported that the Iranians accepted the basic terms of the Declarations except for the total amount of the assets Iran would receive.[267] On January 18 and January 19, the United States and Iran, respectively, initialed the Declarations and other supporting documents.[268] President Carter announced the agreement in principle on the afternoon of January 19, 1981. An hour after his announcement, however, it was discovered that Iran had refused to sign the Implementing Technical Clarifications and Directions (ITCD). As indicated previously, the ITCD contained Attachment B, a Form of Payment Order. As a general rule, banks will not make payment from accounts on deposit without having first received such a payment order. Attachment B was thus a critical document to the banks. This failure threatened the entire deal. It was at this point that proponents of the October Surprise allegations have asserted that the negotiations bogged down for inexplicable or artificial reasons.[269]

2. Delays

The Task Force made a special effort to determine the reasons for the delays which occurred in the final hours of the negotiations. Task Force investigators interviewed all the key participants in these talks.

Two delays, in particular, needed to be explained: (1) Iran's refusal to sign the Form Payment Order on January 19; and, (2) the delay in the hostage turnover on the morning of January 20.

a. January 19, 1981

(i) Ali Reza Nobari

Ali Reza Nobari was appointed governor of the Central Bank of Iran (Bank Markazi) on November 15, 1979, one day after President Carter froze Iran's assets. In this capacity, he was responsible for the central management of the Bank, worked with the Iranian Revolutionary Council and, on occasion, made payments for arms agreements between Iran and third-party individuals or countries. Nobari also chaired the committee tasked with overseeing the financial aspects of the Algiers negotiations.

Nobari prefaced his comments by explaining that, in order to understand the delays, one had to understand the role the hostages played in the internal politics of Iran.

According to Nobari, after the Shah left and Khomeini returned to Iran, power was initially based in the secularist government headed by Barzagan and later by Bani-Sadr. The clerics did not wield absolute power. But, it was never

their intention to remain outside of the power structure. The seizure of the hostages provided a vehicle by which the clerics would seize control of the government and fulfill their ultimate objective of establishing an Islamic Republic. According to Nobari, the clerics, therefore, had strong and independent reasons for keeping the hostages until they solidified their power base. They felt that as long as the hostages remained in captivity, the secularists could never solidify their hold on the government. Instability worked to the advantage of the clerics. Nobari suggested that many apparently inexplicable halts in the negotiations could be attributed to internal political struggles.

With the selection of Raja'i as Prime Minister, Khomeini had effectively taken control of the government. The hostages then became expendable, and a solution could be negotiated.

With respect to the January 19 delay, Nobari admitted that Iran did not have a way to establish with any certainty the amount of assets actually frozen by the United States. They were forced to negotiate the sum to be released by offering their best estimates of their total claim. The Iranians feared that final agreement would be construed as a waiver of future claims if additional assets should be discovered. It is against this backdrop, suggested Nobari, that the objection by Iran to the language of the form payment order must be understood.

According to Nobari, he personally received the payment order and had to agree to its terms. In his view, the payment order appeared to contain language that would release the Americans from future liability even if it was later discovered that an American depository institution had deposits on hand that had not been turned over to Iran at the time of the final settlement. Nobari said he could not sign such a general release. He said that he felt that the United States banks were acting like "vultures" and that their payment demands subjected Iran to a "total surrender". When Nobari resurfaced after several hours and made his objections known, the matter was resolved to his satisfaction by the removal of the general release language by the banks.

When asked whether he was told by anyone to delay the signing of the payment order, Nobari answered categorically, "no." When asked whether any aspect of the delays on January 19 appeared to be related to the October Surprise hypothesis he again said, "no". He said that the delays were the natural result of the effort to disentangle complicated and politically-charged events. He added that the Iranian government wanted to be finished with the hostages before Reagan became President.

(ii) John Hoffman

John Hoffman is a partner with the law firm of Shearman and Sterling. In 1979 he was responsible for the supervision of litigation, especially involving international matters, that pertained to Shearman and Sterling's client, Citibank.[270] On May 2, 1980 Hoffman said he was informed by a German counsel for the government of Iran that Iran was interested in pursuing a financial settlement to the hostage crisis.[271] Although unknown to him at the time, this contact was instigated by Ali Reza Nobari and Bank Markazi. The conditions upon which the financial discussions could be initiated were that the negotiations had to be kept strictly secret and that Iran would not put up any monies in addition to those under the freeze order.[272]

Hoffman and, eventually, a consortium of bank counsel received permission to begin talks from Deputy Treasury Secretary Robert Carswell. In December, 1980, these negotiations merged with the "official" negotiations that led to the final settlement of the hostage crisis. Throughout the eight months from May 2, 1980 to January 20, 1981, Hoffman was intimately involved in the financial side of the negotiations.

In his sworn statement Hoffman offered the following analysis of the January 19th incident:

> Q: So now January 19th is upon us and the ITCD, the papers are drawn and communicated and there are two things I want to have you discuss. First is the 11 page appendix.
>
> A: The famous 11 page appendix. Frank [273] will tell you all about that. 'Cause he wrote it.
>
> Q: But it is sent, what I am interested in, not so much the technical terms of it at this juncture but we read that all of a sudden, that between the 15th and the 19th, you seemed to have decided that down and dirty was the way

to do it, that everyone was proceeding, telexes are sent on the 19th and all of a sudden we are in a black hole again. No communication. Tell us about your appreciation of that situation.

A: Yes. Well during those closing days, it was pretty natural that there were drafting problems to say the least. Because you didn't get everyone together. You had guys in different places and different time zones. And all that. But the concept that we were working on we understood to be a fairly simple set of payment instructions that would be agreed upon in advance.

* * * * *

We would have a text of a message that would come to the banks, if you are instructed to do this with the money and then the money gets into the escrow and then there are instructions to the escrow agents, that upon the happening of this thing, you are instructed to do this. And that was the sort of flowback to the escrow account, the so called dollar account number one, and number two at the Bank of England and that is what provided the banks with assurance that they were going to get paid because other than that you had a lick of a promise from the Iranians and nothing else. So it was essential in my perception and I think for everyone else, that you have that kind of instruction agreed upon in advance otherwise you couldn't be sure,—that one of these banks wouldn't balk. And we had good reason to believe that at least one of them would balk. Because we had, there had been some strains in the fabric all along.

* * * * *

It was essential to get that instruction.

* * * * *

It was tough. And we were working literally around the clock for several days there. And you know, you were working constantly. The text of the famous 11 page appendix was sent to Brown on the morning of, Sunday morning, whatever that date was. Here was the last version. And it contains some language which it turns out the Iranians took serious umbrage at. And in retrospect, were rationally concerned with. Which they read to be a requirement that the Iranians release their claims against US banks across the board. Now, part of this settlement was these deposits would get turned over and the litigation would be terminated by Iran against the banks and the banks against Iran. And a provision was written into the telex that this instruction contained our mutual understanding that the amount set forth was owing by the banks listed to Iran. The Iranians took that to mean a general release. They did not know, and as it turned out, and I found out through my ensuing ten years, they still don't know a lot of what their accounts were. They didn't know where they were, how much they were, etc. . . . And they were afraid they were simply giving a general release of claims that they hadn't even made. And that looked offensive, or was certainly a reason for them to take offense at. But anyhow, that language in that effect was in that draft 11 page appendix. We didn't know what their concern was, because we had sent that language to Brown on the morning of Sunday and didn't hear a peep until, for about 24 hours. Until all of a sudden after the Algiers accords were initialed I guess on Sunday night by Christopher and the other guys. All of a sudden everything came into a halt. And we couldn't figure out what was going on. Where is the response back on this language, what is the status of the escrow agreement? They said the escrow agreement hadn't been approved yet or something. That starts this kind of crazy 12 hour period

where no one knew what was going on.

* * * * *

Only later in the day did it begin to appear that their concern was over the reading of the language and it sounded like a general release. And I said jesus, Roger, we're not asking for a general release. If the banks have got a deposit that they owe, they are going to pay it. That is what they are in the business of doing. So, you know, if that is what it is, we can fix it. Quick. And I started writing and Bruce Nichols comes down, and poor Bruce is now dead and started drafting something. Roger started drafting something. Meanwhile, in zings a series of payment orders from Bank Markazi into three US banks demanding payment on the accounts. Framed in the language of the telex but having but nothing about the escrow. Just pay or else. And this is Monday night. And I tell Carswell and Cutler and I think Ham Jordan who suddenly showed up at this point. And I said look, we're not going to do this. Give us some time. Brown has got some language, he says he is sending it out to Tehran for them to approve. He is sending it to me. I will take a look at it. If it looks like it is going to work, we think we can get this done. They decide, okay. We'll go along with that. Cutler I know was very dubious about it. I was afraid that the government was simply going to call an end to the process. And order the banks to pay on the basis of those truncated payment orders. And that would have blown this thing sky high. Because I am sure that at least one institution would not have paid. And that would have really clobbered it. But you don't know. What happened was, we looked at the language Roger had drafted, I think Bruce and I made a couple of comments on it and then we decided to pray. And at that point he sent it out and we waited. And as you know it came through, with some quirks, but it came through. And it got done. Now, did someone use that as an excuse to hold this up and delay it for a little while? The somebody was obviously Nobari who was balking at issuing the payment instructions the way it was framed. And balking at the last minute anyhow. My own view anyhow had always been, as I say, I never met Nobari and I don't know really what his problem was. But I know they had a problem with this language. Because it was an issue that came up in the subsequent negotiations. Time and again this issue of unidentified accounts was something that we had to work out literally over the next ten years. So it was a real issue for those guys. And we didn't know that too much at that time. So there was a real issue there which I can see rationally would give somebody heartburn and which we could have solved faster and easier if in fact we had been sitting around a table rather than at opposite side of the world. The fact is that we did resolve it through really the creative intervention of one of the Iranian lawyers. And the thing got sent and the money moved and that was that.[274]

In short, Hoffman did not think the objection to the language of the payment order raised by Nobari on January 19 could properly be seen as a deliberate effort to delay the negotiations. He observed that in "retrospect their position, to me, is quite understandable." [275] He added that over the succeeding ten years, as he continued to negotiate the remaining Iranian claims, "the biggest problem . . . was this concern over unidentified accounts and the breadth of these releases they were giving up." [276] Objectively speaking, he concluded, it was a legitimate concern.

(iii) Algerian Negotiators

On November 18, 1992, Task Force counsel met in Algiers with former Algerian Ambassador to Iran, Abdul Kharim Gheraieb. former Ambassador to the United States Redah Malek, and former Algerian Central Bank Director Mustafi. All three men were members of the Algerian negotiating team.

The Task Force asked the Algerians to help explain developments in the final months of the negotiations.[277] The issue of the last-minute delays in January, 1981 featured prominently in the discussion. The Algerians, like Ali Reza Nobari, felt it important to explain these delays by first placing them in context. They pointed out that the hostages served as a political weapon in the struggle between the radicals and the moderates. They agreed that no negotiated settlement could be completed until the radicals consolidated their power and took control over the central positions of Iranian government. Indeed, the Algerians pointed out that not until Raja'i became Prime Minister were all of the pieces in place for "serious negotiation" to begin.[278]

The Algerians used the Tabatabai initiative as a case study of the overall problems faced by the negotiators throughout the negotiations. Ambassador Gheraieb explained that the Tabatabai initiative had the earmark of a successful negotiation. Tabatabai had a close relationship with Khomeini and appeared to have Khomeini's approval to negotiate a settlement provided the four negotiating points brought by Tabatabai to Bonn could be met. Yet this initiative failed for two reasons, according to the Algerians. First, Tabatabai himself was a liberal with a western education. He also held a position in the Bazargan government, which was distrusted by the more radical elements in Iran. Even with the apparent support of Khomeini, the radical factions viewed Tabatabai with so much suspicion that it was doubtful to the Algerians that he would be "allowed" to reach a settlement.[279] Second, Iraq's invasion of Iran on September 22, 1980 caused massive demonstrations against Iraq and the United States. Radical elements in Iran argued that the United States was behind the invasion and had pressed Iraq to continue its attacks. When Tabatabai was able to return to Iran, the Majlis was being boycotted by hard-line factions that refused to permit the hostage issue to be discussed on the heels of the Iraqi invasion. The Algerians concluded that an initiative which had begun with promise had fallen victim to internal politics.

The Algerian negotiators said the January 19 delay was directly caused by the American banks. They pointed to general release language in the document which they said was drafted by Chase Manhattan Bank, as the source of the problem.[280] This language caused Nobari's refusal to sign the document. The Algerians indicated that this "banking glitch" caused a 24 to 36 hour delay. The Algerians did not believe the problem was contrived by the Iranians to delay the release of the hostages as part of an October Surprise deal.

(iv) Warren Christopher

Warren Christopher was the Deputy Secretary of State in November, 1979 when the Americans were taken hostage at the United States Embassy in Tehran, Iran. He became acting Secretary of State April 19, 1980 and continued for several days until the swearing in of Secretary Muskie, after Secretary Vance resigned his post. With the assistance of Assistant Secretary Harold Saunders, Christopher was the State Department official chiefly responsible for overseeing the hostage negotiations in the final months of the process.

On January 9, 1981, Christopher was, for the last time, sent to Algiers to complete the hostage negotiations.[281] The Task Force asked Christopher to explain the reasons for the delay on January 19, 1981. Christopher suggested that it would be a "mistake" to focus on one delay over all of the others that occurred in the final stages of the negotiations.[282] He pointed out that January, 1981 was a continuum of stops and starts caused by the complexity of negotiating a nine billion dollar, multiparty funds transfer agreement. He cited as examples of earlier problems faced by the negotiating team the question of a complete pay-off versus bringing current outstanding loans, and a matter involving the Federal Reserve that required the intervention of Lloyd Cutler. These two issues, among others, were no different or less vexing than the issues faced on January 19, 1981.

Turning to that day, Christopher indicated that this was a pure banking matter that had to be resolved among the bankers present in Algiers and elsewhere. While he was not intimately involved in the details of the issue, he stated that it was explained to him by Frank Logan and Robert Carswell. Based on these explanations and discussions with the Algerian Foreign Minister Benyahia, he believed at the time and continues to believe that the issue was not contrived by the Iranians. Rather, they raised le-

gitimate concerns that had to be addressed in the same deliberate manner as the preceding problems. He saw nothing at the time that would lead him to conclude that the January 19 delay was calculated to delay the release of the hostages beyond 12 noon on January 20, 1981.

(v) Robert Carswell

Robert Carswell, now a partner in the law firm of Shearman and Sterling, was the Deputy Secretary of the Treasury in the Carter administration. He began dealing with Iran at the time of the revolution because Iran had a great deal of money on deposit at the Federal Reserve Bank in New York. When Iran's government changed hands, questions arose as to who retained control over these accounts.[283]

After the United States government froze Iran's assets in the United States on November 14, 1979, other creditors followed suit until virtually every asset Iran had in the United States was tied up in one fashion or another. Private parties would routinely contact Treasury in an effort to determine what Treasury intended to do with respect to the frozen assets.[284] In this context, John Hoffman on behalf of Citibank contacted Secretary Carswell to advise him that he had been contacted by a German attorney named Waggendorf, who represented the Iranian Central Bank.[285] Waggendorf was authorized to pursue negotiations aimed at unfreezing Iranian assets.

Secretary Carswell and Deputy Secretary of State Warren Christopher agreed that Hoffman should be allowed to pursue their talks on the condition that he kept Secretary Carswell informed and that he let it be known that there could be no financial settlement unless the hostages were released.[286]

Carswell oversaw the financial aspects of the final hostage negotiations from the Department of Treasury. He recounted for the Task Force his best recollection of the delays on January 19 and 20, 1981. On the morning of January 19, Carswell testified, the negotiations came to an inexplicable halt. After several delays, the Iranians let it be known that they believed "the banks had tried to trick the Iranians and that was not going to be accepted." [287] After additional inquiries, United States negotiators determined that the problem was "Appendix B to the ITCD which [Carswell] regrettably had not read." [288] All the negotiators had considered this to be the least substantive of the documents being written. Carswell noted "the bankers had simply done it themselves. Everybody knows how to write a release so nobody spent much time on it." [289] Yet according to Carswell, it was quite important. When Carswell read it, he saw the problem immediately. "Of course, it had in it a general release that was much broader than it needed to have been. I concluded and I think everyone who read it concluded that it overreached. So I suggested to them that they draft a release that was more appropriate and covered only the payments involved. So they went ahead and did it." [290]

The new draft was forwarded to Roger Brown in London, who was acting as counsel for the Iranians. Brown drafted a form of release that he thought the Iranians would sign.[291] This was cleared through the United States bankers who tinkered with it a little and then sent it back to Brown for final review and forwarding to the Iranians for approval. Carswell noted that although the drafting process itself was not very difficult, "it took most of the day because of the communications." [292] Finally, the release was signed early the next morning. In all, it took an entire working day to correct the problem.[293] It was, he said, a problem substantially of our own making:

> Bankers always draft forms that have belt and suspender provisions in them. They always go farther than they need to. So I am not surprised that these fellows produced something that was broader than it needed to have been. I think, in context, the Iranians' objection to that broad release was understandable and probably correct.[294]

b. January 20, 1981

(i) Introduction

The Form of Payment Order had been corrected, the negotiations were back on track. All that remained was for the parties to transmit the necessary certifications; the hostages could then be released. The parties appeared ready to do this as of 8:00 am EST on January 20. But, another delay prevented the hostages from leaving Mehrabad Airport in Tehran before the inauguration of Ronald Reagan. The Task Force sought to determine the causes of this delay.

(ii) Ali Reza Nobari

Nobari asserted no direct knowledge as to the reasons for the delay between 8:00 am and 12:00 noon EST on January 20, 1981. He maintained that neither he nor Bank Markazi was responsible for the second delay.[295]

(iii) John Hoffman

John Hoffman, like Nobari, had no specific information on the delay between 8:00 am and 12 noon EST on January 20. He stated that by 8:00 am, everything was on track, but that the Iranians had not received notification that the money had been placed on deposit with the Bank of England:

> Q: At that point, at 8:00 EST or 9:00 EST, the Iranians had not gotten notification that the money was on deposit?
>
> A: That's what I was told, yeah.
>
> Q: But there was no technical glitches in the Payment Orders or anything like that?

By 8:00 am, when the Algerian government was notified that the funds were placed on deposit with the Bank of England the primary responsibility to complete the deal shifted to Algiers. At this point, Hoffman said that he joined others in the Secretary's dining room for breakfast. A watch officer had reported that the planes were at the end of the runway and the engines were warming up. But, then "we didn't hear anything." [296] Hoffman remembered saying that he "smelled a rat" [297] and put a call through to Roger Brown in London to find out what was happening. Hoffman said that it appeared that the certificates attesting to the transfer of the funds into the escrow account had been completed but not delivered by the Algerians to the government of Iran. It was the delivery of these certificates to Iran which triggered Iran's obligation to release the hostages under the terms of the negotiated settlement. No one knew what was happening for a couple of hours, said Hoffman.[298] Hoffman related:

> Q: But the Iranians before they were releasing the hostages were looking for those guarantees?
>
> A: Yes,
>
> Q: That notification.
>
> A: Yeah let me tell you that on this, please bear in mind that this is my own speculation, but what I thought had happened and what I expected had happened, this is an off the cuff comment. Lloyd Cutler and I have talked about this, we were all sort of puzzling what was going on. I thought that they wanted to be sure that they got them all safely on the plane and in the confusion, when you saw the pictures afterward there was a little bit of confusion, and I had heard somewhere that they had temporarily lost one or two of them. What would have happened if those planes had landed in Algeria with three people missing. So if there was some sort of confusion under the hectic circumstances of the time, they wanted to be sure they weren't sort of obligated to move before they were assured of that certificate being on its way. I had believed that was a factor. The other factor that I guess I have always believed was that the Iranians, or someone on the Iranian side felt this was some way to give Carter a black eye. The deal was done, they didn't physically get out while it was on his watch. That would be personally disappointing to him and I am sure that it was. I never talked to Carter afterwards, but I know he talked to Lloyd. And I know this had to be a tremendous disappointment.[299]

(iv) The Algerians

The Algerians were asked to comment on the last-minute delay on the morning of January 20, 1981. This delay, they said, was the result of legitimate Iranian security concerns. The Algerians pointed out that the release of the hostages was an extremely volatile issue in Iran up until the very end. As a result, the Iranian government wanted to wait until after dark to transport the hostages by bus to the airport. Ambassador Gheraieb was at the airport when the hostages arrived. He stated that there were large demonstrations not only at the airport terminal but on the runways as well. The Ambassador recalled that the hostages arrived shortly after dark. Their departure was held up

while a list of all of the hostages could be checked to ensure that everyone was accounted for and aboard the aircraft.

The Algerians indicated that they were not aware of any secret meetings between the Iranians and members of the Republican party nor any agreement between the two groups that caused this delay. To their knowledge, the January 20 delay was simply the product of the confusion on the ground and security concerns at the time of the scheduled departure.[300]

(v) Warren Christopher

With respect to the morning of January 20, 1981, Warren Christopher noted that the several-hour delay was a source of some frustration for two reasons. First, as a personal matter, Christopher very much wanted the hostages to be released on President Carter's watch. Second, as a legal matter, his authority to act on behalf of the United States government technically ended at noon. Christopher also stated that Foreign Minister Benyahia had assured him that the release would take place before noon.

Christopher stated that, to the best of his recollection, the Algerian government transmitted the certificates regarding the deposit of funds to Iran approximately one hour after they were received at 8:06 a.m., January 20, 1981.[301] Christopher stated that the hour-long transmission delay was due to of the fact that the Algerians took extra precautions to ensure that all the preconditions negotiated by the parties had been fulfilled before they sent the final telex that would trigger the release of the hostages.[302] While the hour-long wait was somewhat frustrating, Christopher did not attribute it to anything other than fatigue.[303]

Assuming a transmission delay of approximately one hour, Christopher was asked why he thought there had been a three hour delay. He indicated that he had no clear answer for this. He was told at the time by the Algerians, and subsequently by former hostages, that there was great confusion in getting the hostages to the airport and into the air. He attributes the delays to these "mechanical" issues. He has no indication that the delay was intended to deny President Carter a release during his presidency, yet he has no information that absolutely precludes this possibility.[304]

Finally, the Task Force asked Christopher to comment on the views of the Algerian negotiating team concerning the reasons for the January 20, 1981 delays. Christopher stated that the Algerians perspective generally squared with his view that the delay was a result of the confusion in Tehran. He also stated that he had a vague recollection that the Algerians had a presence on the ground in Tehran, and would, therefore, be in a better position to evaluate the actual reasons for the final delay.

(vi) Robert Carswell

Reflecting on the morning of January 20, 1981 Robert Carswell observed that all the paperwork had been completed by 8:00 am. The group was filled with anticipation. But, "then nothing happened." [305] They were frustrated that there was nothing they could do. The communication lines to Tehran were not very good. "We didn't have any way to find out what was going on." [306] Carswell said the negotiators never found out exactly what caused the delay. The United States team did not know then, nor did they learn later, at exactly what time on the morning of January 20, 1981 the Algerians had actually advised the Iranians that all of the monies had been moved.[307] Carswell said he was aware that there was confusion in Tehran and that the hostages did not leave Iran until after Ronald Reagan was sworn in as president. He would not speculate on the reasons for this last delay.[308]

D. Conclusion

The majority believes that negotiating the release of the American hostages was ultimately, in many respects, a triumph of international diplomacy. As one observor noted, "The Iranian hostage crisis provided dramatic proof of our nation's commitment to the basic principles of international law and its affirmation of the use of existing international institutions for the peaceful settlement of disputes." [309] The demonstrated commitment of the United States to the peaceful resolution of this dispute affirmed our status as a nation that values human life and the rule of law.[310]

The minority shares the majority's appreciation of those precious values reflected in our peaceful resolution of the hostage crisis. How-

ever, the minority believes that before it comments on the manner in which the crisis was resolved a more comprehensive analysis of all of the factors that led to and impacted upon the ultimate resolution of this crisis should be performed in another forum.

Negotiating the release of the American hostages was both "challenging and frustrating," [311] due in large measure to the state of revolution which existed in Iran throughout this period of time as well as the shifting decisions throughout by the Ayatollah Khomeini. Indeed, as indicated in this chapter, in spite of constant efforts by both the United States and the international community, it was not until the late summer of 1980, "when a parliament was seated and a new government was in power, did the Iranians concert their attention" [312] on the hostages. Even then, it initially required the imaginative assistance of the governments of Germany and Switzerland, and the creative and skillful diplomacy of the government of Algeria to resolve the crisis. Looking back, it is clear that the difficulty and delays that attended to the resolution of this unprecedented international crisis was due in major part to the fact that Iran "had no discernable fixed rules, goals, or even identity." [313]

As indicated in the introduction to the report, the Task Force has not sought to analyze the skillfulness with which the crisis was settled. It sought only to determine whether, in the final analysis, it could be credibly argued that the delays in the resolution of the hostage situation were attributable in any manner or degree to a secret deal struck between the Reagan presidential campaign and representatives from Iran. In this regard, for all the reasons set forth throughout this report, the Task Force concludes that no credible evidence exists to support such a deal. There was no October Surprise agreement ever reached.

Endnotes

1. W. Christopher, *et al., American Hostages in Iran: Diplomacy and Pressure* at 72 (1985).

2. J.A. Bill, *The Eagle and the Lion: The Tragedy of American-Iranian Relations* 18 (1988); M. Milani, *The Making of Iran's Islamic Revolution: From Monarchy to Islamic Republic* 59 (1988).

3. M. Milani, *The Making of Iran's Islamic Revolution* at 64.

4. J.A. Bill, *The Eagle and the Lion* at 51.

5. J.A. Bill, *The Eagle and the Lion* at 57–61, 64–66. Historian James Bill states that the "Truman administration was * * * concerned about the contagious nature of the nationalization act in Iran. If Iran could nationalize the powerful British oil company in Iran, then why couldn't the other oil-producing countries do the same thing to American companies?" Id. at 78. *See also* M. Milani, *The Making of Iran's Islamic Revolution* at 72; R. Cottam, *Iran & the United States: A Cold War Case Study* 92 (1988).

6. J.A. Bill, *The Eagle and the Lion* at 67, 86–94; S. Bakhash, *The Reign of the Ayatollahs: Iran and the Islamic Revolution* 10 (rev. ed. 1990). *See also* M. Milani, *The Making of Iran's Islamic Revolution* at 75; R. Cottam, *Iran & the United States* at 106–09.

7. J.A. Bill, *The Eagle and the Lion* at 148–51; S. Bakhash, *The Reign of the Ayatollahs* at 27–28; M. Milani, *The Making of Iran's Islamic Revolution* at 75.

8. S. Bakhash, *The Reign of the Ayatollahs* at 24, 27–30; M. Milani, *The Making of Iran's Islamic Revolution* at 91. Historian Shaul Bakhash writes that the local councils law was objectionable to the religious leaders on the grounds that it allowed women to vote, it did not require the adherence to Islam as a qualification to vote or hold office, and it allowed elected officials to take an oath of office on a "holy book" (not the Koran), thus potentially allowing infiltration of religious minorities in elected offices. *See* S. Bakhash, *The Reign of the Ayatollahs* at 24; M. Milani, *The Making of Iran's Islamic Revolution* at 90.

9. S. Bakhash, *The Reign of the Ayatollahs* at 33–35. *See also* J.A. Bill, *The Eagle and the Lion* at 156–161; R. Mottahedeh, *The Mantle of the Prophet: Religion and Politics in Iran* 245–46 (1985).

10. S. Bakhash, *The Reign of the Ayatollahs* at 34; J.A. Bill, *The Eagle and the Lion* at 160; M. Milani, *The Making of Iran's Islamic Revolution* at 94.

11. S. Bakhash, *The Reign of the Ayatollahs* at 35–48.

12. J.A. Bill, *The Eagle and the Lion* at 218.

13. A. Parsons, *The Pride and the Fall: Iran 1974–1979* 61–62 (1984). *See also* J.A. Bill, *The Eagle and the Lion* at 234–35; S. Bakhash, *The Reign of the Ayatollahs* at 12.

14. S. Bakhash, *The Reign of the Ayatollahs* at 15.

15. J.A. Bill, *The Eagle and the Lion* at 238; M. Milani, *The Making of Iran's Islamic Revolution* at 198.

16. M. Milani, *The Making of Iran's Islamic Revolution* at 201; S. Bakhash, *The Reign of the Ayatollahs* at 15; A. Parsons, *The Pride and the Fall* at 69–70. After imposition of martial law in mid-September, several demonstrators in Jaleh Square refused to disperse and were fired upon by the Shah's troops. Several demonstrators were killed. *Id. See* J. Carter, *Keeping Faith: Memoirs of a President* 438 (1982).

17. J.A. Bill, *The Eagle and the Lion* at 243; M. Milani, *The Making of Iran's Islamic Revolution* at 198, 205–06; R. Cottam, *Iran & the United States* at 175–75; A. Parsons, *The Pride and the Fall* at 121. *See also* C. Vance, *Hard Choices: Critical Years in America's Foreign Policy* 327–30 (1983); Z. Brzezinski, *Power and Principle: Memoirs of the National Security Adviser, 1977–1981* 356, 365–66, 370 (1983).

18. J.A. Bill, *The Eagle and the Lion* at 248; M. Milani, *The Making of Iran's Islamic Revolution* at 213. *See also* Armstrong, *The Fall of the Shah; Vance, Predicting Disaster, Deflects Call for Toughness*, Wash. Post, Oct. 28, 1980, A1.

19. J. Carter, *Keeping Faith* at 439–40; M. Milani, *The Making of Iran's Islamic Revolution* at 217; A. Parsons, *The Pride and the Fall* at 90–91; C. Vance, *Hard Choices* at 337. As Bill noted, Brzezinski and his staff had argued that "only a hard-line, no-nonsense policy from the Shah could save the day." J.A. Bill, *The Eagle and the Lion* at 249.

20. J.A. Bill, *The Eagle and the Lion* at 263.

21. M. Milani, *The Making of Iran's Islamic Revolution* at 219.

22. J.A. Bill, *The Eagle and the Lion* at 254 (citing House of Representatives Committee on Foreign Affairs, Subcommittee on Europe and the Middle East, *General Huyser's Mission to Iran, January, 1979*, 97th Cong., 1st Sess., June 9, 1981, at 2).

23. M. Milani, *The Making of Iran's Islamic Revolution* at 221–22; C. Vance, *Hard Choices* at 336; Z. Brzezinski, *Power and Principle* at 383–385.

24. M. Milani, *The Making of Iran's Islamic Revolution* at 231–32; S. Bakhash, *The Reign of the Ayatollahs* at 17–18; J.A. Bill, *The Eagle and the Lion* at 263–64. *See also* E. Sciolino, *Iran's Durable Revolution,* Foreign Affairs, 893, 895 (Spring 1983).

25. S. Bakhash, *The Reign of the Ayatollahs* at 51; E. Sciolino, *Iran's Durable Revolution,* Foreign Affairs, at 895.

26. S. Bakhash, *The Reign of the Ayatollahs* at 53.

27. The Revolutionary Council had its roots in a Khomeini "transition team" formed by Barzagan at Khomeini's request in October 1978. The Council, formed in Jan. 1979, changed significantly one month later when the new Barzagan government was put into place. Barzagan and his six colleagues departed the Council to form a cabinet, and in their stead, Khomeini named clerics and moderates such as Abol-Hassan Bani-Sadr and Sadegh Ghotbzadeh to the council. S. Backash, *The Reign of the Ayatollahs* at 51.

28. S. Bakhash, *The Reign of the Ayatollahs* at 64.

29. Behesti would become a leading force on the Revolutionary Council and in drafting the new constitution. *See* Department of State Briefing memorandum, "Iran Update: January 6, 1980," Jan. 5, 1980 (hereinafter "Iran Update"). *See* App. at 22–25.

30. S. Bakhash, *The Reign of the Ayatollahs* at 66. *See also* M. Milani, *The Making of Iran's Islamic Revolution* at 241.

31. M. Milani, *The Making of Iran's Islamic Revolution* at 243; S. Bakhash, *The Reign of the Ayatollahs* at 67.

32. M. Milani, *The Making of Iran's Islamic Revolution* at 243; S. Bakhash, *The Reign of the Ayatollahs* at 56–67. Bakhash stated that Khomeini took the view that "the insistence on open trials, defense lawyers, and proper procedures was a reflection of 'the Western sickness among us,' that those on trial were criminals, and 'criminals should not be tried; they should be killed.' " *Id.* at 62.

33. M. Milani, *The Making of Iran's Islamic Revolution* at 243; S. Bakhash, The Reign of the Ayatollahs at 68–69; J.A. Bill, *The Eagle and the Lion* at 272.

34. S. Bakhash, *The Reign of the Ayatollahs* at 72.

35. S. Bakhash, *The Reign of the Ayatollahs* at 72. In an earlier work, Khomeini stated that a legislature would not be needed in an Islamic state because all necessary laws were laid down by the Koran. *Id.* at 73.

36. M. Milani, *The Making of Iran's Islamic Revolution* at 261; S. Bakhash, *The Reign of the Ayatollahs* at 74.

37. S. Bakhash, *The Reign of the Ayatollahs* at 74.

38. M. Milani, *The Making of Iran's Islamic Revolution* at 261–62.

39. J.A. Bill, *The Eagle and the Lion* at 242.

40. G. Sick, *All Fall Down* at 207.

41. G. Sick, *All Fall Down* at 209.

42. *Id.* at 210.

43. *Id.* at 210.

44. The Shah had relocated from the Bahamas to Mexico in June.

45. G. Sick, *All Fall Down* at 216.

46. *Id.* at 216.

47. J.A. Bill, *The Eagle and the Lion* at 294.

48. J.A. Bill, *The Eagle and the Lion* at 294.

49. J.A. Bill, *The Eagle and the Lion* at 295.

50. N. Cumming-Burce, *Iranians Seize U.S. Mission, Ask Shah's Return for Trial,* Wash. Post, Nov. 5, 1979, A-1.

51. *Id.*

52. H. Morris, *Reuters,* Nov. 4, 1979.

53. S. Bakhash, *The Reign of the Ayatollahs* at 83.

54. M. Milani, *The Making of Iran's Islamic Revolution* at 264; S. Bakhash, *The Reign of the Ayatollahs* at 82–83. The president lost much of his power to the *faqih* under the constitution, which also provided for a cabinet headed by a prime minister who would be appointed by the president and confirmed by the single-chamber Majlis. *Id.*

55. S. Bakhash, *The Reign of the Ayatollahs* at 90.

56. M. Milani, *The Making of Iran's Islamic Revolution* at 281; S. Bakhash, *The Reign of the Ayatollahs* at 90–91.

57. S. Bakhash, *The Reign of the Ayatollahs* at 90, 95.

58. J.A. Bill, *The Eagle and the Lion* at 267; S. Bakhash, *The Reign of the Ayatollahs* at 97; M. Milani, *The Making of Iran's Islamic Revolution* at 282.

59. S. Bakhash, *The Reign of the Ayatollahs* at 97–98; J.A. Bill, *The Eagle and the Lion* at 267.

60. The United States had been in contact with Beheshti since January, 1979, when introduced to him by Professor Richard Cottam. The U.S. would later view him as "the most desirable Iranian with whom to negotiate," "clear, serious and consistent in his thoughts." "Biography of Ayatollah Mohamed Beheshti," attached to Iran Update: Jan. 6, 1980. *See* App. at 26–29.

61. S. Bakhash, *The Reign of the Ayatollahs* at 99.

62. R. Cottam, *Iran & the United States* at 229.

63. M. Milani, *The Making of Iran's Islamic Revolution* at 282; R. Cottam, *Iran & the United States* at 229. Several candidates from Bazargan's party, as well as a from parties of the center and the left, also won seats.

64. M. Milani, *The Making of Iran's Islamic Revolution* at 282; R. Cottam, *Iran & the United States* at 229.

65. M. Milani, *The Making of Iran's Islamic Revolution* at 283; S. Bakhash, *The Reign of the Ayatollahs* at 106.

66. M. Milani, *The Making of Iran's Islamic Revolution* at 284.

67. W. Christopher, *et al., American Hostages in Iran: The Conduct of Crisis* 286, 288 (1985). Another contact reported that the hostages had become a "secondary matter" but remained "a useful, if not necessary focus of fixation for many power circles." *Id.* at 286.

68. Radio Tehran, Nov. 10, 1979. Text in United States Department of Commerce, *Foreign Broadcast Information Service* (hereafter *FBIS*) Nov. 14, 1979.

69. B. Rubin, *Paved With Good Intentions: The American Experience and Iran* at 290 (1980). The Task Force employed the services of Barry Rubin to assist in understanding internal Iranian politics. *Paved With Good Intentions* hereinafter will be referred to as "Rubin Report"

70. Radio Tehran international service, Nov. 9, 1979. Text in *FBIS,* Nov. 13, 1979. From an Iranian viewpoint, the November 1979 anti-American riots in Pakistan were an example of this upsurge inspired by the embassy takeover.

71. Rubin Report at 3 (Citing P. Petrucci, *Cultural Revolution, Iranian Style,* Afrique-Asie (Paris) Dec. 10–23, 1979).

72. Iran's leaders inability to abrogate Khomeini's "death sentence" for novelist Salman Rushdie, for example, continues to this day.

73. In October 1979, Vice Prime Minister Sadegh Tabatabai cited as authorities in Iran: the revolutionary committees, the Revolutionary Guards, the Revolutionary Council, the government, and the courts. Congressional Research Service, *The Iran Hostage Crisis* at 33 (1981) (hereinafter "CRS"). Power centers in the hostage crisis also included Khomeini, President Bani-Sadr, the clerics of the Islamic Republican Party, and the radical activists actually holding the Americans.

74. A useful analogy here is the fact that Khomeini did not agree to end the Iran-Iraq war until August 1988, though it was clear to many of his lieutenants years earlier that the war was unwinnable and dangerously costly.

75. Harold Saunders Deposition (Aug. 31, 1992) at 41 (hereinafter "Saunders Dep.").

76. *Id.* at 3.

77. It was staffed by three to ten people at various times and included the wives of various staffers who dealt exclusively with hostage family members. Andrew Sens Deposition (Oct. 19, 1992) at 5 (hereinafter "Sens Dep.").

78. Saunders Dep. at 4; Henry Precht Deposition (Aug. 14, 1992) at 4 (hereinafter "Precht Dep.").

79. "AT&T had given the Iranians a wonderful international telephone system and initially we would call (such people as) Ayatollah Beheshti . . " Precht Dep. at 7–8.

80. They were held in the foreign ministry. Ambassador L. Bruce Laingen Deposition (Sept. 1, 1992) at 25 (hereinafter "Laingen Dep.").

81. G. Sick, All Fall Down at 228–230.

82. W. Christopher, *et al., American Hostages in Iran* at 60–61.

83. Congress was also kept advised of relevant events. *See* Iran Update, Nov. 26, 1979. *See* App. at 30–33.

84. Precht Dep. at 5–6.

85. Sens Dep. at 8.

86. *Id.* at 9.

87. Saunders Dep. at 5–6; Charles Cogan Deposition (Nov. 30, 1992) at 5 (hereinafter "Cogan Dep.").

88. Zbigniew Brzezinski Deposition (Sept. 17, 1992) at 3–4 (hereinafter "Brzezinski Dep.").

89. W. Christopher, *et al., American Hostages in Iran* at 64.

90. Sanctions included the suspension of delivery of $300 million in military equipment on November 9, the suspension of oil imports from Iran on November 12, the issuance of an Executive Order blocking "all official Iranian assets in the United States" including deposits in United States banks and their foreign branches on Nov. 14 (valued at $12 billion). "A Chronology on Iran", Nov. 8–Dec. 21, 1979 (hereinafter "DOS chronology"). See App. at 34–49.

91. W. Christopher, *et al., American Hostages in Iran* at 91.

92. *Id.* at 91.

93. G. Sick, *All Fall Down* at 251.

94. Ambassador Eric Lang Interview (Sept. 24, 1992) at 1 (hereinafter "Lang Int.").

95. W. Christopher, *et al., American Hostages in Iran* at 89; *See generally* Iran Updates.

96. Lang Int. at 4–5.

97. W. Christopher, *et al., American Hostages in Iran* at 78; Department of State memoranda, Dean's contacts in Beirut (Nov. 9, 1979). *See* App. 50–52.

98. Department of State Briefing memorandum from INR William G. Bowdler to the Secretary (Nov. 19, 1979). *See* App. at 53–55 discussing implications of extraditing the Shah.

99. W. Christopher, *et al., American Hostages in Iran* at 79. Gary Sick stated that Bassam Abu Sharif, one of PLO chief Yassir Arafat's principle advisors, said he met in Beirut with a close friend and major financial contributor to Ronald Reagan who wanted to have the PLO use its influence to delay a hostage release until after the election. *See* G. Sick, *October Surprise* at 74–75. The Task Force sought to contact Abu Sharif through a number of channels and eventually word reached him of the Task Force's interest in an interview. In spite of repeated follow-up efforts by the Task Force, Abu Sharif never made himself available for an interview. His statement, therefore, remained untested and uncorroborated.

100. The Iran Hostage Crisis, A Chronology of Daily Developments, Report prepared for the Committee on Foreign Affairs, United States House of Representatives, 97th Congress, 1st Session (1981) (hereinafter "CRS") at 38–39. Iran's demands, as stated by its new foreign minister: (1) the return of the Shah to Iran for trial and the return of his assets; (2) the end of United States interference in Iranian affairs; and (3) an apology for past United States "crimes" against Iran.

101. Mansour Farhang Deposition (Oct. 23, 1992) at 4 (hereinafter "Farhang Dep.").

102. *Id.* at 4.

103. Department of State Briefing memorandum from David Newsom, Harold Saunders to the Acting Secretary. Iran Update (Dec. 12, 1979). See App. 56–77.

104. G. Sick, *All Fall Down* at 265.

105. *Id.* at 266.

106. That same day Sean McBride, Nobel Peace prize winner and former Irish Foreign Minister and head of Amnesty International, arrived in Tehran to meet with Ghotbzadeh and discuss McBride's serving on the international tribunal. McBride would report to Waldheim and State Department officials that Bani-Sadr and Beheshti were "very able men" but he had a lesser opinion of Ghotbzadeh. He shared his view of the proposed commission, *i.e.*, that it would have no judicial power but would only make a finding as to whether there was a basis for an ongoing international tribunal. Iran Update: Jan. 10, 1980. *See* App. at 78–86.

107. CRS at 75.

108. *Id.* at 78.

109. G. Sick, *All Fall Down* at 292.

110. CRS at 84, 101.

111. Of the other candidates, Professor Salalaleddin Farsi (the IRP replacement candidate for Beheshti), Foreign Minister Ghotbzadeh and Admiral Madani, the State Department believed Farsi "odds-on favorite." Department of State Briefing Memorandum to the Secretary from Harold H. Saunders re: *Iran Presidential Election,* attached to Iran Update: Jan. 4, 1980. *See* App. at 87–89. In an interview, Admiral Madani, who finished second in the presidential vote with 14% of the ballots compared to Bani Sadr's 75%, said he would form an opposition party. Madani blamed his loss on the "students" at the embassy who accused him of being an agent of the CIA. CRS at 94.

112. However, Revolutionary Council spokesman Ayatollah Beheshti said there was no agreement within the Council on the hostages-commission situation, and that Bani Sadr was "expressing his personal opinions" and not those of the Council in his statements about the negotiations. CRS at 105.

113. Interview in *L'Expresso,* Feb. 15, 1980.

114. CRS at 111.

115. *Id.* at 123. *See* W. Christopher, *et al., American Hostages in Iran* at 132.

116. CRS at 46.

117. DOS chronology. *See* App. at 34–49.

118. W. Christopher, *et al., American Hostages in Iran* at 98.

119. CRS at 192.

120. W. Christopher, *et al., American Hostages in Iran* at 98.

121. CRS at 62.

122. Christopher had known Pottinger while both served in the Department of Justice. Saunders Dep. at 31. Cyrus Hashemi provided the American officials with his bona fides. He claimed that he had been a Senior Advisor to the Iranian Ministry of Defense since March 23, 1979 and to the Iranian Navy since June 1, 1979. He claimed that Mohammed Ali Balanian Hashemi had been a technical advisor to the Iranian Navy.

123. Accounting of the Shah's wealth, removal of the Shah from the United States, U.N. Commission, statement of sympathy, lifting the freeze, etc. *See* Department of State letter from Stanley Pottinger to the Honorable Warren Christopher (Dec. 7, 1979). *See* App. at 90–96.

124. Letter from Stanley Pottinger to the Honorable Warren Christopher (Dec. 7, 1979). *See* App. at 90–96.

125. Department of State Action memorandum from David Newsom, Harold Saunders to the Secretary, Iran Update (Dec. 5, 1979). *See* App. at 97–101.

126. Saunders Dep. at 34. Saunders informed the CIA of Hashemi connection of December 22, 1979 according to a December 22, 1979 memo portion—unsigned etc. *See* App. at 102.

127. Department of State Briefing Memorandum from David Newsom, Harold Saunders to the Acting Secretary, Iran Update (Dec. 12, 1979); Department of State Action Memorandum from Harold Saunders to the Acting Secretary regarding Talk with Cyrus Hashemi (Dec. 12, 1979). *See* App. at 56–77; 103–125.

128. *Id.*

129. Pottinger stated that Madani had offered Hashemi a position as an advisor in the Spring of 1979, and that Khomeini and

Madani had met to discuss a job for Madani in government. Hashemi characterized Madani as a "Iranian patriot who . . . was favorably disposed toward the [United States]" Stanley Pottinger Deposition (Aug. 5, 1992) at 25, 36 (hereinafter "Pottinger Dep.").

130. Moini, an Iranian lawyer, was then legal advisor to the Iranian embassy in the United States. Max Moini Deposition (Oct. 15, 1992) at 3 (hereinafter "Moini Dep.").

131. This was later referred to as the "Passendideh Ploy," *i.e.,* seeking to settle the hostage problem by direct approach to Khomeini through Passendideh, followed by election of Madani as president, or, if he was not elected, military action. See cable from Chief, Near East Division/Iran Branch, D.O. (hereinafter "C/NE") (Jan. 8, 1980). *See* App. at 126.

132. Department of State Briefing Memorandum from Mr. Newsom, Harold Saunders to the Secretary, Iran Update (Dec. 29, 1979); Memorandum for the Record Iran Working Group (Dec. 27, 1979), memorializing call from the law firm of Strook, Strook, & Lavan regarding lawsuit against Hashemi alleging fraud. Apparently, Dr. Hashemi had argued for postponement of the trial claiming that he was a member of the Revolutionary Council authorized to negotiate on behalf of Iran for release of the hostages. *See* App. at 127–134; 135.

133. Department of State Memorandum from Cyrus Vance to the President regarding Proposal for a Meeting with Iranians, dated Dec. 21, 1979. *See* App. at 136–154. The purpose of the meeting would be (1) to discuss elements of a settlement of the crisis might be and (2) to decide among themselves how those elements might most effectively be presented to Khomeini. *Id.* at 1.

134. *Id.* at 2.

135. *Id.* at 2. *See also* CIA untitled document, Dec. 29, 1979 reporting that on December 22, 1979 Harold Saunders informed the CIA that the State Department had received what "may be a probe from Khomeini", *i.e.,* Hashemi. Saunders also noted that "while not enthusiastic" about the Hashemi proposal, Vance was going to propose it to the President. *See* App. at 102. The CIA's "preliminary trace results" revealed nothing about the Hashemis or Passindideh.

136. Reza Passendideh's father, the Ayatollah Passendideh, was said to have been able to influence Khomeini because Moini had a relationship with his former brother-in-law, Reza Passendideh, and believed that the hostage-taking was wrong, he had asked him to speak to the Ayatollah. Passendideh had agreed to do so. Moini Dep. at 14–15.

137. Mohammed Ali Balanian Hashemi was introduced as Dr. Hashemi's brother and claimed that he was an engineer, who until recently had owned two construction firms in Iran employing 1,000 people. He also claimed that he was a member of the Central Committee, headed by Ayatollah Kani. At this time he was not yet known to be Jamshid Hashemi.

138. Department of State Action Memorandum from Harold H. Saunders to the Secretary (Jan. 2, 1980). *See* App. at 142–154.

139. CIA Cable C/NE, (Jan. 8, 1980). *See* App. at 126.

140. *Id.*

141. According to Pottinger, who did not attend the January 22, meeting, Cyrus Hashemi was anxious about dealing with the CIA, and was equally concerned about how the financial transaction was handled. *See generally* Pottinger Dep. at 93–108.

142. CIA Cable from C/NE (Jan. 18, 1980). *See* App. at 155–59.

143. CIA Document subject Jamshid Hashemi Naini (Feb. 6, 1980). *See* App. at 160–61. In 1958, Jamshid Hashemi became a member of the Tudeh Party, the Iranian communist party; in 1959, he became a secret member of the Iranian National Front, an Iraqi sponsored organization seeking to overthrow the Iranian government, apparently, selling the Iraqis information about the Tudeh Party; in 1960, he obtained employment at a Soviet Airfield in East Germany, proposed to sell information to the United States and when turned down because of his background, to the British; in 1961, he was convicted attempting to smuggling arms to the Tudeh Party in Iran and expelled from Denmark.

144. CIA cable (Feb. 21, 1980).

145. CIA document, "Summary," undated. *See* App. at 162–66.

146. Memorandum for the Record from C/NE (Feb. 28, 1980). *See* App. at 167–69.

147. CIA document, "Summary," undated. *See* App. at 162–66.

148. Department of State Briefing Memorandum from Harold Saunders to The Secretary, The Deputy Secretary and Mr. Newsom, Iran Update (Feb. 26, 1980). *See* App. at 170–175.

149. *Id.* at 2.

150. *Id.* at 2.

151. Moini believed there was another person, possibly a State Department employee, present. Moini Dep. at 21. This is not borne out by any other testimony or document.

152. Pottinger was asked to leave but invited to return. Pottinger Dep. at 147.

153. Pottinger reported to Saunders that Bani-Sadr had authorized Passendideh's approach. Department of State Action Memorandum to the Secretary from Saunders, July 3, 1980.

154. Pottinger Dep. at 154.

155. Saunders Dep. at 33.

156. Department of State Briefing Memorandum from Peter Constable to The Secretary, The Deputy Secretary and Mr. Newsom Iran Update (Sept. 18, 1980); Pottinger Dep. at 13. *See* App. at 176–78.

157. CIA document, Situation Report, from C/NE (Sept. 26, 1980). *See* App. at 179–80. Hashemi had engaged Pottinger's firm to help with "financial detective work" because the question of the Shah's assets is the "major remaining item of contention" for the Iranians. Pottinger Dep. at 10–12.

158. CIA document, Memorandum to File from C/NE (Sept. 11, 1980). *See* App. at 181. Cyrus Hashemi's contacts with the pro-Khomeini forces is supported by a statement of his former office manager, Carlos DeMello, who attended meetings between Hashemi and Khomeini supporters in Paris before the overthrow of the Shah. Telephone conversation between Task Force staff and DeMello, Nov. 20, 1992.

159. CIA document, Cable from C/NE (Jan. 8, 1980). *See* App. at 126.

160. CIA Routing Record by C/NE (Oct. 6, 1980). *See* App. at 182–84.

161. Department of State Briefing memorandum from Peter D. Constable, Acting to The Secretary, The Deputy Secretary, and Mr. Newsom. Iran Update (Sept. 17, 1980). *See* App. at 176–78. Hashemi also claimed to have been asked to serve as an advisor to the Special Parliamentary Commission considering the hostage issue, an assignment he allegedly declined.

162. Department of State Briefing memorandum from Harold H. Saunders to the Secretary, The Deputy Secretary, and Under Secretary Newsom. Iran Update (Nov. 16, 1980). *See* App. at 185–87.

163. *Id.*

164. *Id.*

165. Department of State Briefing memorandum from Harold Saunders to The Secretary, The Deputy Secretary, and Under Secretary Newsom. Iran Update (Nov. 20, 1980) *See* App. at 188–190.

166. *Id.* Hashemi also provided information to the Working Group and to Roberts Owen about Nobari. *See* Department of State memorandum to INR Ambassador Spiers from L. Roberts Owen (Nov. 20, 1980). *See* App. at 191–92.

167. Peter Constable Deposition (Oct. 23, 1992) at 24 (hereinafter "Constable Dep.").

168. Department of State cable from Embassy Algiers to the Secretary, Algiers 3939. *See* App. at 193–94.

169. Constable Dep. at 25; Saunders Dep. at 39.

170. Precht Dep. at 15.

171. Richard Cottam Deposition (Nov. 18, 1992) at 3 (hereinafter "Cottam Dep.").

172. Cottam had been in touch with Henry Precht and with Gary Sick (NSC) as soon as he had concluded there would be a successful revolution in Iran, sometime in 1976. In December 1978, Cottam had discussed an Iranian transition plan with the "high command" including Bazargan, Beheshti and others who would become members of the Revolutionary Council. Cottam Dep. at 5.

173. During the hostage crisis Cottam spoke with Ghotbzadeh virtually every day on the telephone. Cottam Dep. at 47.

174. Department of State Memorandum of Conversation (Dec. 12, 1979). *See* App. at 195.

175. *Id.*

176. *Id.*

177. R. Cottam, *Iran & the United States* at 213; W. Christopher, *et al., American Hostages in Iran at 114.*

178. Memorandum of Conversation, Cottam/Ghotbzadeh conversation. *See* App. at 196.

179. Department of State Briefing memorandum, Iran Update (Jan. 2, 1980). *See* App. at 197–201.

180. *Id.*

181. *Id.*

182. Department of State Briefing memorandum from Harold Saunders to The Secretary. Iran Update (Jan. 16, 1980). *See* App. at 202–07.

183. *Id.*

184. Department of State Briefing memorandum from Harold Saunders to The Secretary, Iran Update (Jan. 31, 1980). *See* App. at 208–12.

185. Department of State Briefing memorandum from Harold Saunders to The Secretary, Iran Update (Feb. 2, 1980). *See* App. at 213–17.

186. Hamilton Jordan Deposition (Oct. 16, 1992) at 2 (hereinafter "Jordan Dep."). The Iranians and Panamanians preferred dealing with Jordan rather than the State Department because Jordan was close to Carter and because many Iranians believed the State Department was controlled by David Rockefeller. J. Carter, *Keeping Faith* at 484 (1982).

187. Memorandum for the Record from Working Group re: Ghotbzadeh-Cottam conversation (Dec. 27, 1979). *See* App. at 218.

188. Jordan Dep. at 4.

189. *Id* at 5.

190. President Carter viewed this channel as "the most encouraging development since our embassy had been seized." He noted that "although Bani-Sadr was apparently keeping his plan secret from some other members of the Revolutionary Council, Ghotbzadeh was deeply involved. Although at odds personally, these two men were our best hope, and so we wanted to see them consolidate their political strength." J. Carter, *Keeping Faith* at 485–86.

191. J. Carter, *Keeping Faith* at 488; Jordan Dep. at 10–11.

192. Department of State Briefing memorandum from Harold Saunders to The Secretary, The Deputy Secretary and David Newsom. Iran Update (Mar. 4, 1980). *See* App. at 219–229.

193. *Id.*

194. Department of State Briefing memorandum from Harold Saunders to The Secretary, The Deputy Secretary, Mr. Newsom (Mar. 25, 1980). *See* App. at 230–32.

195. J. Carter, *Keeping Faith* at 501.

196. Jordan Dep. at 21.

197. Jordan Dep. at 16–17; the State Department heard from Ambassador Laingen that the foreign ministry was being prepared to receive the hostages. Precht Dep. at 30–31. President Carter's diary reflected that:

"About 1:45, Cy reported that Ghotbzadeh had sent word to us that Bani-Sadr will make a statement tomorrow at noon Tehran time [4:30 a.m. in Washington, D.C.], saying that the Revolutionary Council, with Khomeini's approval, had decided to transfer the hostages away from the students to the government on Tuesday . . if this develops to be a true report, it would be the most encouraging thing we've had lately out of Iran. If things went as Ghotbzadeh had said they would, it would be necessary for me to respond publicly to Bani-Sadr's 4:30 a.m. (EST) statement. My response was to be made through the news media, and I wanted to be sure that Iran got the message loud and clear. Without knowing what was going on, the American press would obviously be confused and might have negative headlines or report my early morning response in a distorted fashion, alienating the already suspicious Iranians." J. Carter, *Keeping Faith* at 502.

198. White House memorandum from Len Lefkow to David Aaron (Mar. 31, 1980). *See* App. at 233. This speech was delivered by Khomeini's son immediately prior to Bani-Sadr's speech on April 1, 1980.

199. As Jordan stated:

"The option was to play out this thing with Bani-Sadr and Ghotbzadeh. In other words, it was to deal—it was to deal with the elected President and the appointed Foreign Minister of Iran or do nothing. So why would we not pursue that?

* * *

"This was far and away the only thing that had taken us that close to Khomeini. We were dealing with people who could travel to Iran, who could produce Ghotbzadeh in a meeting, who could get Bani-Sadr to send us letters. The option was to do nothing.

"[It is true that] Carter was growing skeptical here. But based on Christian and Hector's always explaining the roller coaster and all these things, we put a lot of our—we put a lot of our eggs in this basket and why would we not see that through? So a lot of times it was—in the execution of the scenario, it was seeing the thing not being executed precisely as we wanted to execute it, but trying to grab the best elements of it and move to the next step. Jordan Dep. at 31–32.

"David Aaron added: " we were still pursuing the strategy of trying to reinforce the government. In other words, our position was that the government was responsible. They were responsible for the situation in their country. And so when Bani-Sadr said something positive, we tried to reinforce it." Aaron Dep. at 43.

200. C. Vance, *Hard Choices* at 407–8.

201. W. Christopher, *et al., American Hostages in Iran* at 136.

202. Department of State Iran Update, from Harold Saunders to The Deputy Secretary, Mr. Newsom (Apr. 2, 1980). *See* App. at 234–39.

203. Classified minutes of the discussions regarding sanctions and a response during the NSC meeting on March 31, 1980 and the White House meeting on the morning of April 1, 1980 preceding the press conference the morning of the Wisconsin primary, including any potential political considerations, are in the classified annex of this report. *See* App. at 240.

204. CRS at 148.

205. W. Christopher, *et al., American Hostages in Iran* at 142. Vance and his State Department colleagues "consistently opposed military action."

206. Z. Brzezinski, *Power and Principle* at 497.

207. CRS at 213.

208. *Id.* at 244.

209. *Id.* at 254–5, 266. On Iran's negotiating position at this time, see Rubin Report at 284.

210. G. Sick, *All Fall Down* at 363.

211. Senate Deposition of Warren Christopher, June 24, 1992, at 7.

212. Shortly after the seizure of the American hostages on November 4, 1979, Sadegh Tabatabai, Deputy Minister President and spokesman for the government in Iran, issued a government statement condemning the takeover of the embassy and calling upon the students to withdraw. Tabatabai made his first known approach to the United States as early as Nov. 27, 1979, when through the German Minister of State, he offered to help in resolving the hostage situation. He would have intermittent contact with the German government, relaying information regarding the hostages. Though not well known at the time within the American diplomatic corps, he would become paramount in setting the stage for the Algerian Accord. *See* Sadegh Tabatabai Deposition (Nov. 5, 1992) at 3–4 (hereinafter "Tabatabai Dep."). Memorandum from the United States Embassy, Bonn (11/27/79). *See* App. at 241–242.

213. Department of State Operations Center Iran Working Group, Sitrep No. 433 (Sept. 13, 1980). *See* App. at 243. These four points, which had been included in the earlier message from the Germans, were: non-intervention, return of frozen assets, waiver of United States government claims, and provisions regarding the Shah's wealth. Christopher Interview (June 8, 1992) at 2 (hereinafter "Christopher Int."); W. Christopher, *Diplomacy: The Neglected Imperative* at 2.

214. Christopher Int. at 2. W. Christopher, *Diplomacy: The Neglected Imperative* at 2–3. American Embassy Bonn Cable to Peter Tarnoff for The President, Secretary Muskie and Dr. Brzezinski (Sept. 17, 1992). *See* App. at 244–45.

215. Carter had instructed Christopher to avoid a discussion of arms and while the President was not completely unwilling to deal with the issue, he and Christopher agreed that arms might complicate the negotiations. *See* Christopher Senate Dep. at 13. Tabatabai was informed that if, after the hostage release, relations between the United States and Iran were normalized, the arms issue could be discussed in accordance with State Department procedures. Christopher Int. at 3.

216. Department of State Informal Summary. *See* App. at 246–255.

217. Christopher Int. at 3.

218. *Id.* at 3. Tabatabai Dep. at 11.

219. J.A. Bill, *The Eagle and the Lion* at 304; S. Bakhash, *The Reign of the Ayatollahs* at 125–26.

220. S. Bakhash, *The Reign of the Ayatollahs* at 126.

221. R. Cottam, *Iran & the United States* at 223–24; B. Laingen, *Yellow Ribbon* 192–93 (1992).

222. W. Christopher, *et al., American Hostages in Iran* at 291.

223. S. Bakhash, *The Reign of the Ayatollahs* at 130.

224. *Id.* at 130.

225. M. Milani, *The Making of Iran's Islamic Revolution* at 286; S. Bakhash, *The Reign of the Ayatollahs* at 130.

226. S. Bakhash, *The Reign of the Ayatollahs* at 131–32. *See also* R. Cottam, *Iran & the United States* at 229.

227. W. Christopher, et al., American Hostages in Iran at 290–91.

228. W. Christopher, *et al., American Hostages in Iran* at 291; 164–66; Z. Brzezinski, Power and Principle at 504.

229. *See* B. Laingen, *Yellow Ribbon* at 194; W. Christopher, *et al., American Hostages in Iran* at 291. *See also* M. Khadduri, *The Gulf War: The origins and Implications of the Iraq-Iran Conflict* 89–94 (1988).

230. W. Christopher, et al., *American Hostages in Iran* at 291; M. Milani, *The Making of Iran's Islamic Revolution* at 289.

231. B. Laingen, *Yellow Ribbon* at 208; *Raja'i Refuses Talks With U.S. Officials*, Wash. Post, Oct. 17, 1980, A1.

232. Tabatabai Dep. at 4.

233. Department of State Briefing memorandum from Harold Saunders to The Acting Secretary (Nov. 30, 1980). *See* App. at 256–57. *See also* Salamatian Int. (June 2, 1992) at 4; Salamatian Int. (July 28, 1992) at 2.

234. Christopher Int. at 3.

235. *See* Defense Security Assistance Agency memorandum to the Assistant Secretary of Defense (Sept. 26, 1980). *See* App. at 258–283.

236. Lang Int. at 9.

237. Department of State Cable from Ambassador Ritzel to Bonn (Oct. 9, 1980); Tabatabai Dep. at 11. *See* App. at 284–85.

238. *Id.*

239. Department of State Cable from Ambassador Ritzel (Oct. 10, 1980). *See* App. at 286. Warren Christopher Deposition (Dec. 2, 1992) at 21 (hereinafter "Christopher Dep.").

240. *See* Department of State memorandum (Oct. 10, 1980). *See* App. at 287.

241. G. Sick, *All Fall Down* 370 (1985). Sick described the package as being worth $150 million. *Id.* Christopher's cable on October 11, 1980 contained a package totalling approximately $230 million, $80 million of which was the proceeds from the sales of previously purchased military equipment. Memo from Christopher (Oct. 11, 1980). *See* App. at 288–90.

242. G. Sick, *All Fall Down* at 370.

243. Z. Brzezinski, *Power and Principle* 504 (1985). On October 17, a memo is written to "Chris" that provides the location of the spare parts around the United States, and states that "using a maximum lift, and with 48 hours advance notice, the bulk of the spare parts could be shipped within one week; USAF would charge $6 million to airlift the spares to Germany, $11 million to Karachi; There is very little in the spares package in the way of radar spare parts. If we wanted to be forthcoming on spares for radar, it would involve new sales, not pipeline material." *See* App. at 291.

244. Z. Brzezinski Deposition (Sept. 17, 1992) at 20 (hereinafter "Brzezinski Dep.").

245. G. Sick, *All Fall Down* at 370. *See also* Department of State cable from Christopher to Genscher (Oct. 11, 1980), App. at 288–90; The order freezing Iranian assets had frozen non-monetary assets as well; Tabatabai was provided with a list of these assets held in the United States and told these could be discussed once the hostages were returned. Christopher Int. (Dec. 2, 1992) at 21.

246. Department of State Message received from Bonn (Oct. 13, 1980). *See* App. at 292–305.

247. Department of State Memorandum to Secretariet file (Oct. 14, 1980).

248. Christopher Dep. at 26–28.

249. Department of State Action Memorandum (Oct. 9, 1980). *See* App. ——at 656–657. *See also* section VII and VIII, *supra*, for further discussion.

250. *See* section X, *supra*, for further discussion.

251. Department of State cable to Tel Aviv 29588 Oct. 22, 1980. *See* App. at 307–08.

252. President Carter was asked the following question by Barbara Walters:

"While we are discussing policy, had Iran not taken the hostages, I assume that, in order to preserve our neutrality, we would have stopped the flow of spare parts and vital war materials once war broke out between Iraq and Iran. Now we're offering to lift the ban on such goods if they let our people come home. Doesn't this reward terrorism, compromise our neutrality, and possibly antagonize nations now friendly to us in the Middle East?"

Carter responded:

"We will maintain our position of neutrality in the Iran and Iraq war. We have no plans to sell additional material or goods to Iran, that might be of a warlike nature. When I made my decision to stop all trade with Iran as a result of the taking of our hostages, I announced then, and have consistently maintained since then, that if the hostages are released safely, we would make delivery on those items which Iran owns—which they have bought and paid for—also, that the frozen Iranian assets would

be released. That's been a consistent policy, one I intend to carry out."

D. Broder, *et al., Pursuit of the Presidency, 1980* at 376 (1980).

253. Tabatabai Dep. at 4. *See* Cable from Germany (Oct. 30, 1980), App. at 309–314; Cable from Lang, Swiss Ambassador to Iran (Oct. 30, 1980), App. at 312–13. *See also* W. Christopher, *et al., American Hostages in Iran* at 292.

254. Salamatian Int. at 2.

255. Department of State Briefing Memorandum from Harold Saunders to The Secretary, The Deputy Secretary and Mr. Newsome (Oct. 26, 1980). *See* App. at 315.

256. Message received from Bonn (Oct. 16, 1980). *See* App. at 297–98.

257. Salamatian Interview (July 28, 1980) at 3 (hereinafter "Salamatian Int."). Department of State Iran Working Group, Sitrep No. 483 (Nov. 2, 1980). *See* App. at 316–317. *See also* Christopher Int. at 3. Tabatabai never communicated with Christopher again because the Parliament agreed that the implementation of the hostage release should be through the Algerian's. Tabatabai Dep. at 5.

258. Department of State worksheet for list of documents and index (Nov. 3, 1980). *See* App. at 318–325.

259. Christopher had traveled to Algeria to personally deliver the United States response to the Majlis' conditions to the Algerian delegation headed by Foreign Minister Mohammed Benizaria.

260. Department of State Iran Working Group Sitrep, No. 492 (Nov. 11, 1980). *See* App. at 326–328.

261. For Iran's election commentaries, *see* W. Christopher, *et al; American Hostages in Iran* at 373–78.

262. W. Christopher, *et al., American Hostages in Iran* at 217.

263. For example, the bankers preferred the documents to be written in English and wanted face-to-face negotiations in London. The Algerians felt most comfortable with French and preferred to work in Algiers. Meanwhile, the Iranians demanded Farsi translations and would not speak directly with the United States nor would they leave Tehran. Consequently, each document drafted required two translations and all parties were obligated to communicate by telephone and telex as fax machines were not yet available.

264. W. Christopher, *et al., American Hostages in Iran* at 220.

265. Questions arose regarding which loans should be paid off immediately and which should be subject to verification; whether the banks were willing to pay interest on the loans totally $800 million and whether the $8.1 billion figure could be reached from the verifiable assets.

266. Iran was asked to pay off $3.67 billion in loans immediately. The banks agreed to pay $800 million in interest but wished to reserve the right to contest $130 million in binding arbitration. The total payment accepted was $200 million short of the $8.1 billion demanded by Iran.

267. W. Christopher, *et al., American Hostages in Iran* at 225.

268. The technical supporting documents included: the Undertaking; the Escrow Agreement; the Implementing Technical Clarifications and Directions (ITCD). (This document amplified the more general provisions of the Escrow Agreement); and Attachment B to the ITCD which constituted the form of payment order ("payment order"). (The payment order was that which Iran would send to the banks holding their assets to direct them how to make payment of these deposits.)

269. G. Sick, *October Surprise* at 196.

270. Hoffman authored chapter 6 in *American Hostages in Iran.* That chapter provides a full accounting of the intricacies of the financial negotiations.

271. John E. Hoffman, Jr. Interview (Sept. 3, 1992) at 2 (hereinafter "Hoffman Int.").

272. W. Christopher, *et al., American Hostages in Iran* at 244; Hoffman int. at 4.

273. "Frank" refers to Frank Logan of Milbank, Tweed, Hadley and McCloy. Logan was present in Algiers with Warren Christopher and was the drafter of much of the language in the form of payment order. Logan was interviewed by Task Force counsel and asked about this delay. Logan noted that it was his understanding that the Iranians read the payment order to contain a general release clause. When this was pointed out to Logan, he noted that "their objection was valid." As a consequence, the language was changed to correct the problem.

274. Hoffman Int. at 27–30.

275. *Id.* at 5.

276. *Id.* at 36, 37.

277. The Algerians were asked by the Iranian government to broker a negotiated settlement to the hostage crisis on Nov. 3, 1980.

278. It was pointed out, however, that the appointment of Raja'i to Prime Minister did not mean the negotiating process would proceed with ease. In fact, dealing with Raja'i proved, at times, to be very frustrating because of his relative inexperience in international diplomacy, his often changing views and his stated desire to leave the final resolution of the hostage crisis to the Iranian Parliament.

279. As was pointed out earlier, members of the Iranian Parliament were still calling for the hostages to be put on trial even after Khomeini's announced four conditions. This dissention lead Khomeini to defer to the Majlis for the final negotiation of the conditions for release of the hostages.

280. Frank Logan of Milbank, Tweed, Hadley and McCloy was thought to be the architect of the payment order that caused the Jan. 19, 1981 delay. Milbank, Tweed has been counsel to Chase for a very long time. It is surmised that the Algerians saw Chase as the problem because of this relationship. They did not elaborate as to why they singled out Chase as being primarily responsible for the delay.

281. Christopher Dep. at 5.

282. *Id.* at 5.

283. Robert Carswell Deposition (Dec. 11, 1992) at 3–4 (hereinafter "Carswell Dep.").

284. *Id* at 4.

285. *Id.* at 5–6.

286. *Id.* at 7.

287. *Id.* at 9.

288. *Id.* at 9.

289. *Id.* at 9.

290. *Id.* at 9–10.

291. *Id.* at 10.

292. *Id.* at 10.

293. *Id.* at 12.

294. *Id.* at 13.

295. It is worth noting that there were many "delays" over the course of the last 24 hours. Each, in its own way, contributed to the completing of the financial negotiations and certifications after 12:00 noon EST on Jan. 20, 1981. For example, Nobari recounts that throughout the final negotiation period he continued to maintain the strong belief that the terms agreed to by Nabavi was not in Iranian best interests. He particularly objected to the agreement to pay off all Iranian loans regardless of their character. He preferred the earlier plan which only called for the loan deficiencies to be brought current. Thus, wherever possible, he petitioned Raja'i not to agree to the deal. These petitions took time. He also advised us that when Raja'i called him on Jan. 20 to tell him that the signing of the payment order was in "the highest interest of Iran", that Nobari still balked. Finally, he insisted that Nabavi sign the telex to the US banks in the name of the Iranian government. This too caused a delay on Jan. 20. Ali Reza Nobari Interview (Aug. 31, 1992) at 4.

296. Hoffman Int. at 34–35.

297. *Id.* at 35.

298. *Id.* at 31.

299. *Id.* at 32.

300. Ambassador Gheraieb indicated that Bani-Sadr did in fact complain to Ambassador Gheraieb for their endorsing their agreement, despite Bani-Sadr's view that it was harmful to Iran. Ambassador Gheraeib indicated that he did tell Bani-Sadr, basically as Bani-Sadr relates in his book, that the Algerians had told Nabavi "that this agreement was not good for Iran, but he [Nabavi] told us he would sign it anyway. We [the Algerians] were intermediaries with Carter, but not the other one, the one Beheshti and Rafsanjani concluded with Reagan." Ambassador Gheraieb indicated that he did not mean to suggest by that comment that he was, in fact, aware of any arrangement between the Republicans and the Beheshti/Rafsanjani group, but was rather repeating the rumor that Ghotbzadeh and others had earlier been promoting, particularly Ghotbzadeh's public statement in Sept., 1980. All three of the Algerian gentlemen indicated that they were not themselves aware of any secret meetings between Iranians and members of the Republican party nor any agreements between those two groups. Ambassador Gheraieb Interview (Nov. 18, 1992).

301. Christopher prefaced his comments by stating that he had not taken any documents with him when he left the Department of State and had not had the opportunity to review documents prior to his voluntary meeting with Task Force counsel. As such, he offered his best recollection of the events given these shortcomings. Christopher Dep. at 2.

302. Christopher also noted that all the parties were exhausted which argued for special precautions to make sure everything was done properly. *Id.* at 10–11.

303. *Id.* at 10.

304. *Id.* at 14.

305. Carswell Dep. at 14.

306. *Id.* at 14.

307. *Id.* at 15.

308. *Id.* at 17.

309. W. Christopher *et al., American Hostages in Iran: The Conduct of a Crisis,* at 374.

310. *Id.* at 375.

311. *Id.* at 6.

312. *Id.* at 7.

313. *Id.* at 8.

VI. Evolution of Allegations

The work of the Task Force simultaneously benefited from and was handicapped by the passage of time since the period the October Surprise events were said to have occurred. The Task Force's investigation of events during the years 1979–1981 benefited from years of historical analysis and the luxury of hindsight. The Task Force was able, for example, to make firm determinations about the causes of stops and starts in the formal U.S.-Iranian hostage negotiations. But the passage of time also deprived the Task Force of records that could have confirmed the whereabouts of several key individuals in these alleged events. This was mainly due to the destruction of records routinely kept by businesses—such as credit card and telephone companies, or airlines and travel agencies—after a specified time limit. As a result, the Task Force was unable to conclusively determine the activities of several of the principal October Surprise protagonists. We do not believe this handicap undermines the validity of the conclusions we ultimately reached.

The October Surprise story has evolved over a twelve-year period, first appearing as speculation in publications with limited distribution and then in general circulation new articles, television programs and investigative books in the period from 1988 to 1992. A survey of some of the key press reports, and a brief description of some of the allegations made in these reports, follows.

Washington Post: On November 29, 1986, an article in the *Washington Post* by Bob Woodward and Walter Pincus raised several claims that would become keystones in the October Surprise theory. [1] Specifically, the article stated that "In 1981, then-Secretary of State Alexander M. Haig, Jr., gave his permission in 1981 for Israel to ship U.S.-made military spare parts and fighter plane tires to Iran, nearly four years before similar shipments set in motion the controversy now besetting the Reagan administration." [2] The article mentioned David Kimche and Robert McFarlane as other officials having a role in this policy.[3]

The article also reported that even before 1981, "McFarlane proposed dramatic covert initiatives involving Iran. In 1980, while he was on the staff of the Senate Armed Services Committee, McFarlane approached the Reagan campaign's foreign policy adviser, Richard V. Allen, with an Iranian exile who proposed to deliver the American hostages then held in Iran to the Reagan camp prior to the November election." [4] The article also stated that Allen had been approached in late 1980 concerning how the Reagan administration would view Israel's shipment to Iran of F-4 fighter parts.[5]

Miami Herald: On April 12, 1987, Alfonso Chardy at the *Miami Herald* wrote an article stating that Richard Allen, Laurence Silberman and Robert McFarlane met with "a man who said he represented the Iranian government and offered to release the 52 American hostages held in Tehran." [6] The article stated that the objective of this meeting was to ensure President Carter's defeat in the November presidential election. Silberman and Allen, according to Chardy, acknowledged their participation, but "considered the offer absurd and rejected it." The article also reported that Abol Hassan Bani-Sadr, former President of Iran, said "he learned after the hostage release that two of [Khomeini's] closest advisers had been involved in negotiations with the Reagan camp." [7] The article stated that the negotiations allegedly were to delay release of the hostages until after Reagan became president.

In August 1987, Chardy reported that the CIA knew that Israel was shipping United States weapons to Iran as early as February, 1981, thus allegedly raising new questions about the timing of the arms shipments and the

origin of the Reagan Administration's dealings with Iran.[8] This report also quoted an American lobbyist for Israel as saying that a key Reagan aide encouraged the shipments. Chardy also quoted former Iranian President Abol Hassan Bani-Sadr as saying that he believed the arms transactions were the result of an agreement between Reagan campaign officials and representatives of the Khomeini government in Iran. Bani-Sadr said that "as a deal was about to be made with the Carter Administration, suddenly the negotiations stopped. I now believe this happened because of secret contacts between Reagan and Khomeini representatives." [9]

In an April 1988 article, Chardy focused on the efforts of an Iranian-born arms dealer to strike a deal with the Carter Administration on a swap of military spare parts for the hostages. Using declassified Carter CIA and State Department documents, Chardy revealed that arms dealer Hushang Lavi attempted to broker a $10 million arms-for-hostages deal with the Carter Administration but was rebuffed because he did not have the backing of Iran's president at the time, Bani-Sadr.

The Nation: On June 20, 1987, Christopher Hitchens's column in *The Nation* suggested that an Argentine plane carrying American-made weapons from Israel to Iran, which crashed in February 1981, was part of a series of Reagan Administration-sanctioned arms shipments designed as the payoff for an agreement to hold American hostages until after the 1980 presidential elections.[10] Hitchens questioned why the Reagan Administration sent weapons to Iran after the American hostages in Tehran had been flown home, yet before any Americans had been abducted in Lebanon.

Over the next several years, Hitchens continued to write about the October Surprise theory, incorporating new pieces of information as they became available.[11] Hitchens cites several allegations in support of his hypothesis that a deal was made, including: (1) the presence of hostage watch groups in the Reagan campaign to provide early warning of a Carter Administration breakthrough in the hostage negotiations; (2) an October, 1980 meeting among two Reagan campaign advisers, Richard Allen and Robert McFarlane, and an unidentified Iranian official, presumably to discuss a hostage-related deal; (3) remarks by former Iranian President Bani-Sadr asserting that a deal had been struck between representatives of Reagan and Khomeini to delay the hostages' release; (4) an incident recalled by Richard Allen in which President-elect Reagan, upon hearing that an American was still being held hostage the day after the inauguration, remarked, "Get the word out that the deal's off" unless the remaining hostage was released; and (5) President Reagan's remarks on a California golf course in 1991 about his campaign's conduct with respect to the hostages.[12]

New York Times: The first time October Surprise related allegations appeared in the *New York Times* was an article by William Safire on November 24, 1986 in which he stated that: "Robert McFarlane first approached the Reagan campaign in the summer of 1980 with an Iranian in tow who proposed to deliver our hostages to Mr. Reagan rather than President Carter, thereby swinging the U.S. election. The Reagan representatives properly recoiled, but Mr. McFarlane has had Iranian held hostages on the brain ever since." The reference to the meeting in the article was based on a comment made to Safire by Laurence H. Silberman in 1984.

October Surprise allegations next appeared in the *New York Times* in an August 3, 1987, column by Flora Lewis, who interviewed former Iranian President Bani-Sadr.[13] Bani-Sadr told Lewis that the abrupt halt in negotiations between Tehran and the Carter Administration in October 1980 could be traced to the maneuvering of hard-line clerics intent on bringing Carter down. "My aides found out it [the halt in negotiations between Iran and the Carter Administration] was because the group in charge of hostage policy, Rafsanjani, Mohammed Beheshti, and Khomeini's son, did not want Carter to win the election," Bani-Sadr said.[14] Bani-Sadr also alleged that there was a meeting in Paris in 1980 between representatives of Beheshti and Reagan campaign officials that sealed the deal. Lewis stated that Bani-Sadr "offers no proof of the charge." [15]

In a May 15, 1991 article in the *New York Times* Lloyd Cutler, who was President Carter's legal counsel between 1979–1981, expressed doubt that a deal had actually occurred.[16] Despite this skepticism, Cutler argued that it would be "important to learn, if we can, wheth-

er anyone in the Reagan campaign tried to interfere with the hostage negotiations and how members of the team reacted to any bait the Hashemi brothers or others may have dangled before them. Even without the testimony of Mr. Casey and Cyrus Hashemi, there are several living witnesses who can prove or disprove whether somebody at some level on the Reagan team was negotiating with Iranian middlemen." [17]

Washington Report on Middle East Affairs: In October 1987, Richard Curtiss wrote an article for *Washington Report on Middle East Affairs* repeating claims from Bani-Sadr similar to those made in the Flora Lewis story for the *New York Times,* and mentioning the names of Iranians who were "backstopping the 1980 Reagan-Iran negotiations," including Rafsanjani, Mohammed Beheshti, Mohammad Ali Rajai and Behzad Nabavi. [18]

In These Times: In October, 1988, *In These Times,* a bi-weekly paper that had reported on October Surprise allegations since June 1987, identified Richard Brenneke as a source "who claims to have been at one of those Paris meetings [and who] has given *In These Times* a first-hand account [of them]." [19] While printing Brenneke's charges that a Paris meeting did take place, *In These Times* cautioned that Brenneke's reliability as a source should be questioned and his "assertions about the alleged deal are not the final words on this very important subject." [20]

In These Times presented another story on the October Surprise in an April 17, 1991 cover story titled "Dirty Dealers and Election Stealers." The article featured an extensive interview with Ari Ben-Menashe, a self-described high-level Israeli intelligence operative. Ben-Menashe made several claims in this interview. First, he said that he helped arrange the sale to Iran of United States F-4 jets tires owned by Israel, in contravention of the Carter Administration arms embargo against Iran. Ben-Menashe also alleged that Robert McFarlane and Earl Brian traveled to Tehran in February, 1980 to meet with a prominent Iranian moderate named Mehdi Bazargan and prepare for a series of future meetings between Casey and Khomeini's hard-line representatives.

Ben-Menashe also said that he and Hushang Lavi were at the L'Enfant Plaza Hotel meeting of October 2, 1980. Ben-Menashe stated that he offered the three members of the Reagan campaign team—Robert McFarlane, Richard Allen, and Laurence Silberman—an alternative to the alleged agreement worked out by Casey and the Iranians during the previous summer in Madrid. The reason for an alternative deal, said Ben-Menashe, was that Israel "had qualms about playing a role in helping the Republicans subvert the Carter Administration's attempts to negotiate with the Iranians for the hostages' release." [21] Ben-Menashe said that the campaign members rejected the overture because they "wanted to strike their own deal, not an Israeli one, with the Iranians, so they threw that one out the window and struck their own deal later [that month] in Paris." [22]

Playboy: In the October, 1988 issue of *Playboy,* Abbie Hoffman and Jonathan Silvers offered a more detailed account of the October Surprise theory.[23] The authors claimed that the L'Enfant Plaza meeting served as the catalyst for a deal consummated later that month, in which the Reagan campaign and the government of Iran agreed to a delay of the hostages' release in return for the shipment of United States arms from Israel to Iran.

Bani-Sadr was interviewed for the article and provided circumstantial evidence to support this claim. He said that he first sensed that a secret deal in September 1980, when, as president, he learned that a key religious leader and confidant of Khomeini, Hashemi Rafsanjani, was sending a secret emissary to the United States to seek a more lucrative settlement in the hostage dispute than what was then being offered by the Carter Administration. According to Bani-Sadr, it was this secret emissary who attended the L'Enfant Plaza meeting.

In addition, Bani-Sadr, who admitted that most of his information was second-hand, stated that, at the L'Enfant Plaza meeting, Reagan campaign advisors expressed interest in the envoy's idea to delay the release of the hostages. The plan was allegedly further advanced in later meetings between the Iranian representative and other senior Reagan advisors. "They agreed in principle that the hostages would be liberated after the election, and that, if elected, Reagan would provide significantly more arms than Carter was offering," Bani-Sadr said.[24]

Bani-Sadr also said that at a second meeting held in Paris approximately two weeks before the election, a deal to delay the release of the hostages in exchange for a pledge of United States military supplies was finalized. This meeting, Bani-Sadr said, took place at the Hotel Raphael and involved high-level representatives from both the Reagan campaign and the religious wing of the Iranian government, as well as a number of middlemen.

According to Bani-Sadr, "There were three factions present. Representatives of the Reagan campaign, representatives of the Ayatollah Mohammed Beheshti and Rafsanjani, and independent arms merchants . . . Cyrus Hashemi, Manucher Ghorbanifar, and Albert Hakim."[25] Bani-Sadr said vice presidential candidate George Bush represented the American side in these final talks.

The *Playboy* article also attempted to confirm the allegations of arms transactions. The authors contended that the an Argentine plane that crashed en route from Israel to Iran was carrying shipments of United States spare parts for Iran's fleet of M–48 tanks. The authors also cited comments made by Secretary of State Alexander Haig, Israeli Ambassador Moshe Arens and Hushang Lavi to bolster the claim that a significant quantity of United States manufactured arms were transported from Israel to Iran shortly after President Reagan took office. These arms reportedly represented the payoff for Iran's decision to delay the release of the hostages.

Barbara Honegger: In April 1989, Barbara Honegger's book, *October Surprise,* was released, providing a comprehensive exposition of her version of the October Surprise theory. In her book, Honegger discussed Richard Brenneke's claim that he had first-hand knowledge of William Casey's attendance at the Paris meetings in October 1980. Brenneke's claim was the first to place a Reagan campaign official in the alleged Paris meetings. Honegger had been actively discussing her October Surprise allegations for several months, and had held a press conference on August 25, 1988 at the National Press Club to discuss the Brenneke's statements. Honegger also introduced Brenneke to Martin Kilian, another investigative reporter working on the October Surprise story.[26]

Martin Kilian: Martin Kilian published a story concerning an overview of the October Surprise allegations in the German magazine *Der Spiegel* in early September 1988.[27] Kilian relied, in part, upon claims made by Oswald LeWinter supporting the alleged October Paris meetings.[28]

Gary Sick: The October Surprise allegations received additional attention and gained added credibility following the publication of an April 15, 1991 *New York Times* op-ed article by Gary Sick, a former National Security Council staff member for Iranian affairs in the Carter administration.[29] In the article, Sick summarized the central allegations later contained and commented on in depth in his book, *October Surprise,* which was published in November 1991.

Sick's thesis was as follows: In late February or early March 1980, Reagan's new campaign manager, William Casey, approached Jamshid Hashemi, the brother of Iranian arms dealer Cyrus Hashemi, in an effort to recruit them for an operation to delay the release of the hostages until after the November 4, 1980 presidential election and thereby prevent President Carter from gaining political advantage from a hostage release. The Hashemis, according to Jamshid, said they were willing to cooperate in the endeavor.

Jamshid Hashemi claimed that he and his brother, acting upon Casey's request, arranged meetings in Madrid in late July and August 1980 between Casey, Jamshid Hashemi, Cyrus Hashemi, and a representative of the religious faction in Iran, Mehdi Karrubi. Hashemi claimed that during these meetings, Karrubi agreed to cooperate with the Reagan campaign by delaying the hostage's release in return for a promise from Casey that the Reagan Administration would release Iran's frozen assets and help Tehran acquire military spare parts after President Reagan took office. Hashemi also claimed that, at about the same time, Reagan campaign operatives entered into an agreement with Israel, which pledged to act as the channel for the arms deliveries Casey had promised Iran.

According to Sick, the deal to delay the release of the hostages scenario was finalized at a meeting, held in October 1980 in Paris. These meetings allegedly featured three key components: (1) William Casey and Mehdi Karrubi were key participants; (2) Cyrus Hashemi attended these meetings; (3) the Iranian emissar-

ies agreed to hold the hostages until after the presidential election on November 4; and (4) the Israeli officials stated that their country would serve as a conduit for arms and spare parts transfers to Iran. Sick contended that, shortly after the hostages' release, "according to Israeli and American former officials, arms began to flow to Iran in substantial quantities." [30]

Sick's thesis relied on several sources from the United States, Israel, and other countries. Sick himself expressed skepticism about the credibility of some of the sources, acknowledging that he had found no "smoking gun," and that there is "the possibility of an elaborate disinformation campaign." [31]

PBS Frontline: The Public Broadcasting Service's *Frontline* documentary series broadcast two programs examining the October Surprise theory.[32] *Frontline* reporter Robert Parry, pursued the allegations for a number of years, first as a correspondent for *Newsweek* and later for *Frontline*.[33]

The first *Frontline* program aired on April 16, 1991, and presented allegations concerning: (1) whether Cyrus Hashemi and Reagan campaign manager William Casey tried to reach a deal in Madrid to delay the hostages' release from Iran; (2) whether a Paris meeting to finalize the hostage deal occurred; and (3) whether alleged shipments of American-made arms from Israel to Iran occurred.

Frontline quoted a variety of sources allegedly confirming the Madrid meetings, including the principal source, Jamshid Hashemi, Cyrus' brother. Jamshid Hashemi said that he first put Casey in touch with his brother in March 1980, and then helped arrange a meeting between Casey and an Iranian cleric, Mehdi Karrubi, in Madrid in July 1980. Jamshid said that Casey offered a "blunt" proposal of United States arms and the release of Iran's frozen assets if Iran would hold the hostages until after the presidential election.[34]

Jamshid Hashemi also claimed that several weeks later, in August 1980, Karrubi and Casey met again in Madrid to finalize the October Surprise deal. Jamshid claimed to have witnessed this meeting, at which "[Ayatollah] Karrubi expressed acceptance . . . The hostages would be released after Carter's defeat." [35]

Frontline stated that Jamshid Hashemi's account was corroborated by two other individuals: Arif Durrani, an arms dealer; and self-proclaimed Israeli intelligence officer Ari Ben-Menashe.

Frontline also investigated the allegations of Paris meetings in October 1980, and reported that former Iranian President Bani-Sadr was the first to allege that a Paris meeting took place. An arms dealer with close ties to French intelligence, Nicholas Ignatiew, said on the program that he "is convinced" the meetings occurred sometime between October 19 and October 22.[36] *Frontline* also interviewed Richard Brenneke, who asserted that he attended one of the meetings in question, though the program questioned his credibility." [37] *Frontline* also quoted arms dealer Hushang Lavi as saying that he accompanied Cyrus Hashemi to Paris, but that he "did not interfere in any of those meetings." [38] Finally, *Frontline* interviewed an American arms merchant, William Herrmann, who said that he learned of the Paris meetings from an Iranian arms procurer named Hamid Naqashan.

The final segment of the *Frontline* program dealt with the question of shipments of United States military parts from Israel to Iran. *Frontline* reported that arms did flow from Israel to Iran. Nicholas Veliotis, an Assistant Secretary of State for the Middle East in the early 1980's, stated on the program that he knew of the secret arms transactions as early as February, 1981.[39] Referring to the State Department's discovery that an Argentine plane filled with American materiel had crashed while on its way from Israel to Iran, Veliotis said, "It was clear to me, after my conversations with people on high, that indeed we had agreed that the Israelis could transship to Iran some American-origin military equipment." [40]

Frontline also obtained then-classified Iran-contra testimony of David Satterfield, who in the early 1980's had been an officer on the State Department's Israel desk. Satterfield had testified that then-Secretary of State Alexander Haig tacitly approved of the Israeli arms transfers.[41]

Frontline also quoted Houshang Lavi, who said he was part of the arms network and that Iranian officials personally visited NATO bases in Europe to compile a shopping list of American military equipment and that those arms were then shipped from Belgium to Iran.[42]

The second *Frontline* show, which aired one year later, reviewed allegations concerning: (1) the whereabouts of William Casey; (2) the whereabouts of the Iranian envoy, Ayatollah Mehdi Karrubi; (3) the credibility of certain key witnesses to the alleged meetings; and (4) other theories about the alleged evidence.

Frontline reporters attempted to document Casey's location for three time periods in 1980: July 24–29, August 8–12, and mid-October. Drawing upon records obtained from Casey's secretary, Barbara Hayward, of a World War II conference in London which Casey attended, and the testimony of an American professor who also attended the conference, *Frontline* alleged that Casey's whereabouts were in question for a three-and-a-half day gap from July 25, 1980 until 4:00 p.m., July 28, 1980.[43] *Frontline* offered no proof that Casey may have been in Madrid at the time of his alleged absence from the London conference.[44]

Frontline had difficulty establishing Casey's whereabouts in early August, and stated that scores of interviews, both on and off the record, with Casey campaign co-workers, friends, and relatives, did not establish the location of Casey during the period in which Jamshid Hashemi alleges the second Madrid meetings took place. *Frontline* also stated that Jamshid Hashemi's claim to have been in Madrid during that time was backed up by hotel records.

With respect to the mid-October period, *Frontline* reported that it could not conclusively determine Casey's whereabouts on October 19 and part of October 20, "but neither did we find any evidence that he had traveled to Paris over the weekend.[45]

Frontline also interviewed Mehdi Karrubi, who categorically denied being part of the an arms-for-hostages deal, saying "It's a total lie. The amusing part is that I have never been to France or Spain." [46]

Frontline also stated that heavily-redacted FBI wiretaps of Cyrus Hashemi's telephone conversations precluded a determination of whether, as some had alleged, he acted as a double agent for both the Carter Administration and the Reagan campaign.

Frontline also probed the allegation that then-vice presidential candidate George Bush participated in the alleged Paris meeting. The program offered two conflicting statements on this allegation. Ari Ben-Menashe said that Bush, along with himself, was in Paris. But John McLean, a reporter with the *Chicago Tribune,* said that he could find no evidence supporting the rumor.[47]

Finally, *Frontline* explored alternate interpretations of "the body of circumstantial evidence that exists." [48] Noting Ronald Reagan's statement on a Palm Springs golf course in 1991, *Frontline* quoted a South African arms dealer, Dirk Stoffberg, as saying that Casey asked him personally not to help delay the hostages, but to aid in getting them out as soon as possible.[49] *Frontline* concluded: "However the evidence is viewed, there seems to be no explanation for the mass of circumstantial evidence that exists. The overriding truth about 1980 may be that the American people may never know what happened." [50]

ABC News Nightline: The ABC News "Nightline" program also has addressed the October Surprise allegations.[51] Nightline's first program on this subject, broadcast on April 15, 1991, featured Gary Sick, former Reagan campaign foreign policy chief advisor Richard Allen, and Carter's former State Department spokesman Hodding Carter.[52] This broadcast discussed the allegations in broad terms. Nightline's second segment on the October Surprise, broadcast on June 20, 1991, investigated the alleged Madrid meetings and offered some "independent documentation" of the alleged meetings.[53] The broadcast also sought to determine Casey's whereabouts during various periods and concluded that the lack of documentation on Casey "simply adds more fuel to the allegation that Mr. Casey could indeed have been participating in negotiations with the Iranians." [54]

Nightline also aired an interview with Jamshid Hashemi, who provided a detailed account of the two sets of alleged meetings in Madrid, naming alleged participants, relating the substance of the discussions, and recounting the alleged agreements that were reached.

Nightline stated that it corroborated some aspects of Hashemi's story. For example, Nightline stated that both Jamshid Hashemi and his brother, Cyrus, were in Madrid on both dates in which Jamshid said the meetings occurred. Nightline could not precisely place William Casey during the dates in question. Nightline also received an official Iranian reply to the al-

legations, which Koppel characterized as not an absolute disavowal of Iran's participation in an October Surprise deal.[55]

In a program aired approximately one week later, Nightline claimed to have discovered additional information regarding Casey's whereabouts in late July 1980.[56] Nightline stated that Casey had attended a conference at the Imperial War Museum in London, thus eliminating two dates on which Casey could have been in Madrid: late on July 28 and the morning of July 29. Nightline pointed out, however, that Casey's presence at the conference during the day of July 27 and the morning of July 28 could not be confirmed.

Village Voice: Village Voice writers have reported on the October Surprise story since 1991, including three articles by Frank Snepp. An article on September 10, 1991, provided information to disprove Richard Brenneke's claims that he was an eyewitness to the alleged October 1980 meetings in Paris.[57] This story relied on signed credit card receipts and personal diaries obtained through a former business associate of Brenneke to determine that Brenneke could not have attended the alleged Paris meetings in October 1980, in which Brenneke claimed to have participated.[58] During the October 18–22, 1980 period, Snepp placed Brenneke not in Paris, but at various locales in and around his home in Portland, Oregon.[59]

Another article written by Snepp drew upon the redacted FBI surveillance records to disprove Cyrus Hashemi's claim that he was the broker of the Reagan campaign-Iran deal.[60] A third article written by Snepp claimed that the October Surprise hypothesis is the product of an exchange of stories and second-hand reports among a group of journalists, self-described intelligence operatives, and arms dealers.[61]

Esquire: In an article published in October 1980, Craig Unger reported allegations similar to those of Gary Sick.[62] Like Sick, Unger claimed that negotiations occurred in Madrid in the summer of 1980, and later in Paris, where a deal was allegedly sealed. Unger provided additional details on these alleged meetings, obtained primarily from interviews with Ari Ben-Menashe; Richard Babayan, who Unger described as an Iranian who began working for the CIA in the 1970's; and from accounts given by Jamshid Hashemi to Gary Sick and ABC-TV.

Unger also alleged additional meetings, based on statements by Ben-Menashe. Unger wrote that "the earliest stages of the crisis" began with a meeting in Georgetown in late 1979 in which Ben-Menashe, retired CIA officer Miles Copeland, and others discussed how to arm Iran to counter the Iraqi threat.[63] Ben-Menashe also said that in February 1980, Robert McFarlane, who at the time was an aide to Senator John Tower, and Earl Brian met high-level Iranian officials in Tehran.[64] These meetings, according to Unger, paved the way for the later meetings in Madrid and Paris.[65]

Unger also addressed the alleged arms shipments which allegedly constituted the payoff for the October Surprise deal, and relied on Babayan's claims that he knew that an agreement among the parties to ship United States-made weapons to Iran had been made.[66]

New Republic: Steven Emerson and Jesse Furman wrote a November 3, 1991 article in *The New Republic* that found that the "conspiracy as currently postulated is a total fabrication and that none of the evidence cited to support the October Surprise stood up to scrutiny."[67] Emerson and Furman traced the evolution of the October Surprise conspiracy as it emerged in the media in 1987 and blossomed into a full-blown conspiracy theory by 1991.[68] In their investigation, Emerson and Furman examined the statements and backgrounds of key October Surprise "sources," including Richard Brenneke, Barbara Honegger, Abol Hassan Bani-Sadr, Heinrich Rupp, Ari Ben-Menashe, Hushang Lavi, and Jamshid and Cyrus Hashemi.[69]

Emerson and Furman wrote that Brenneke first emerged as a press source in late 1986, claiming inside knowledge about undisclosed covert operations relating to the Iran-contra affair. Although he made numerous unsubstantiated allegations, Brenneke "quickly discovered that is was possible to get away with any allegation in the national security arena: if an intelligence agency, already suspect in the public's mind, denied something, that merely reinforced the authenticity of the charges."[70] Emerson and Furman suggest that Brenneke did not say anything about the October Surprise conspiracy until he met Barbara Honegger in August 1988.[71] After that meeting, Brenneke

emerged as the primary October Surprise source in the United States.[72]

Emerson and Furman also obtained redacted Secret Service records and contemporaneous news accounts which indicated George Bush's location on October 15 through October 20, 1980. These records suggested, according to Emerson and Furman, that Bush could not have been in Paris during this time period, as Brenneke had alleged.[73]

Emerson and Furman reviewed Ari Ben-Menashe's statements and found that, like Richard Brenneke, Ben-Menashe fabricated his allegations, often drawing upon things he read in the newspaper.[74] Emerson and Furman also examined Ben-Menashe's military personnel records, which showed that he served as a low-level translator, not as an intelligence operative, from 1977 to 1987.

Emerson and Furman also addressed Cyrus and Jamshid Hashemi. Using court records and transcripts of FBI surveillance records from 1980, the authors wrote that neither Hashemi was involved in any secret meeting in October 1980 in Paris and that neither man was involved in any campaign-directed conspiracy to sell arms to Iran in exchange for release of the hostages.[75]

Newsweek: The November 11, 1991 issue of *Newsweek* carried an article by John Barry addressing the October Surprise allegations, which he called "a conspiracy theory run wild".[76] Barry sought to discredit four of the major sources behind the October Surprise tale: Barbara Honegger, Richard Brenneke, Ari Ben-Menashe, and Jamshid Hashemi. Barry also concluded that two key events at the center of the controversy—alleged meetings between Reagan campaign operatives and Iranian representatives in July 1980 in Madrid, and in October 1980 in Paris—could not be confirmed.

With respect to the first alleged meeting in July 1980 in Madrid, Barry argued that a key alleged participant, William Casey, could not have attended because he was in London for a World War II conference. According to Barry, attendance records from the conference, as well as records from the places where Casey ate and slept, conclusively demonstrated that he was in London for the period in question.

Barry also concluded that a Paris meeting did not occur because the two principal sources who made this allegation offered conflicting and unprovable versions of the alleged event. Barry wrote that the "vast discrepancies between Ben-Menashe's account and Brenneke's account show, at the very least, that one of the two men are lying. But the weight of the evidence suggests that both versions are false."[77]

Finally, Barry criticized "two broad-brush assumptions" of the October Surprise theory—first, that the Reagan Administration sent large quantities of arms to Iran as the payoff for Tehran's willingness to keep the hostages until after the election; and second, the "pivotal notion" that promising behind-the-scenes negotiations between the Carter Administration and Iran in October, 1980 were inexplicably broken off by Iran.[78]

On the arms shipments, Barry stated "there is oddly little evidence of any substantial weapons 'payoff' to Iran" between 1980 and 1983.[79] He said that the only verified arms shipment involved a $50 million spare parts transaction between Israel and Iran in the spring of 1980.[80] This shipment, Barry argued, would be "chicken feed for swinging the United States presidential election."[81] Barry also offered an historic explanation for the breakdown in negotiations between the Carter Administration and Iran, stating that it could be attributed to the outbreak of the Iran-Iraq war in late September and the Iranian leaders' intense hatred for then-President Carter.[82]

Los Angeles Times: In an unpublished letter to the *New York Times* in late January 1992, which was referred to in a *Los Angeles Times* article in January 1992, Warren Christopher wrote: "While not having reached a conclusion on the ultimate issue, I believe that there are enough suspicious circumstances to warrant a full and fair bipartisan investigation by the Congress."[83]

Hostages Join in Call for an Investigation: Following these news accounts, many of the Americans held hostage for 444 days in Iran called for an inquiry into the serious allegations that their release was delayed by Republicans for political purposes during the 1980 Presidential campaign. Open letters were sent to Congress on June 13, 1991 and on January 29, 1992 calling for an official investigation.[84]

Because the hostages had a legitimate and abiding interest in the allegations which drasti-

cally affected their lives, the Task Force interviewed several of those who signed the letters during the course of its inquiry. U.S. Charge d'Affairs in Iran at the time, Bruce Laingen, held at the Foreign Ministry Building in Tehran, and Moorehead Kennedy, the Economics Officer held at the U.S. embassy compound, offered insightful comments and observations given their limited capacity to observe events in Iran. Laingen and Kennedy have written books on their experiences as hostages in Iran, and their written works were also useful in developing understanding of events in Iran at the time from the hostages perspective.[85]

Endnotes

1. *Israeli Sale Said Allowed by Haig in '81,* Wash. Post, Nov. 29, 1986 at A-1.
2. *Id.*
3. *Id.*
4. *Id.*
5. *Id.*
6. *Reagan Aides had Hostage Meeting in '80,* Miami Herald, Apr. 12, 1987.
7. *Id.*
8. A. Chardy, *CIA Knew in 1981 of Arms Sales to Iran,* Miami Herald, Aug. 9, 1987 at A-1
9. A. Chardy, *Carter Mulled Arms-Hostages Swap,* Miami Herald, Apr. 3, 1988 at A-17.
10. C. Hitchens, *Minority Report,* The Nation, Jun. 20, 1987 at 842.
11. C. Hitchens, *Minority Report,* The Nation, Jun. 20, 1987 at 842; C. Hitchens, *Minority Report,* The Nation, Jul. 4, 1987 at 7; C. Hitchens, *Minority Report,* The Nation, Oct. 24, 1987 at 440; C. Hitchens, *Minority Report,* The Nation, Nov. 21, 1987 at 582; C. Hitchens, *Minority Report,* The Nation, Sept. 19, 1988 at 192; C. Hitchens, *Minority Report,* The Nation, Oct. 3, 1988 at 262; C. Hitchens, *Minority Report,* The Nation, Jul. 17, 1989 at 78; C. Hitchens, *Minority Report,* The Nation, May 28, 1990 at 731; C. Hitchens, *Minority Report,* The Nation, Apr. 22, 1991 at 511; C. Hitchens, *Minority Report,* The Nation, Jul. 1, 1991 at 6; C. Hitchens, *Minority Report,* The Nation, Jul. 29, 1991 at 149; and C. Hitchens, *Minority Report,* The Nation, Sept. 9, 1991 at 256.
12. C. Hitchens, *Minority Report,* The Nation, Jun. 20, 1987 at 842; C. Hitchens, *Minority Report,* The Nation, Jul. 4, 1987 at 440; C. Hitchens, *Minority Report,* The Nation, Nov. 21, 1987 at 582; C. Hitchens, *Minority Report,* The Nation, Jul. 29, 1991 at 149.
13. F. Lewis, *The Wiles of Tehran,* N.Y. Times, Aug. 3, 1987 at Sect. 1, p. 17.
14. *Id.* at 17.
15. *Id.* at 17.
16. L. Cutler, *The October Surprise Made Unsurprising,* N.Y. Times, May 15, 1991 at 27.
17. *Id.* at 27.
18. R. Curtiss, *Did Iran Delay Hostages Release To Ensure Reagan's Election?,* Washington Report on Middle East Affairs, Oct. 1987 at 1.
19. J. Bleifuss, *Deal of the Decade,* In These Times, Oct. 12, 1988 at 10.
20. J. Bleifuss, *Deal of the Decade,* In These Times, Oct. 12, 1988 at 10.
21. J. Bleifuss, *Dirty Dealers and Election Stealers,* In These Times, Apr. 17, 1991 at 10.
22. *Id.* at 10.
23. A. Hoffman and J. Silvers, *An Election Held Hostage,* Playboy, Oct., 1988 at 73.
24. *Id.* at 153.
25. *Id.* at 153.
26. B. Honegger, *October Surprise* at 25.
27. On November 17, 1992, the Task Force sent a letter to Martin Kilian, requesting that Kilian meet with the Task Force and discuss his meetings with several of the allegators of the October Surprise theory. The Task Force received no response from Mr. Kilian. *See* App. at 329-30.
28. Kilian contacted Gary Sick in December 1988 to give him information on the October Surprise conspiracy, and "Kilian began calling [Sick at home] after each new interview or whenever he picked up some nugget of information from the small network of individuals who continued to delve into the elusive story." G. Sick, *October Surprise* 229 (1991). Kilian later introduced Sick to Robert Parry, who would cover the October Surprise theory on a Frontline broadcast. *Id.* at 234.
29. G. Sick, *The Election Story of the Decade,* New York Times, Apr. 15, 1991 at 17.
30. *Id.*
31. *Id.*
32. R. Parry, *Frontline: The Election Held Hostage* (PBS, Apr. 16, 1991); R. Parry, *Frontline: Investigating the October Surprise,* (PBS, Apr. 7, 1992).
33. On November 17, 1992, the Task Force sent letters to Robert Parry and Robert Ross of Frontline, requesting that Mr. Parry and Mr. Ross meet with the Task Force and discuss his meetings with several of the allegators of the October Surprise theory. *See* App. at 331-34. The Task Force received no response from either Mr. Parry or Mr. Ross.
34. R. Parry, *Frontline: The Election Held Hostage* (PBS, Apr. 7, 1992) (Transcript at 7).
35. *Id.* at 8.
36. *Id.* at 11.
37. *Id.* at 11.
38. *Id.* at 13.
39. *Id.* at 15.
40. *Id.* at 15-16.
41. *Id.* at 16.
42. *Id.* at 17.
43. R. Parry, *Frontline: Investigating the October Surprise* (PBS, Apr. 7, 1992) (Transcript at 6).
44. *Id.* at 6.
45. *Id.* at 7.
46. *Id.* at 7.
47. *Id.* at 11.
48. *Id.* at 12.
49. *Id.* at 12-13.
50. *Id.* at 14.
51. *Nightline: Did Reagan-Bush Campaign Make Hostage Deal?* (ABC-TV, Apr. 15, 1991); *Nightline: The October Surprise* (ABC-TV, Jun. 20, 1991); *Nightline: The October Surprise Update* (ABC-TV, Jun. 26, 1991); *Nightline: October Surprise Continuing Debate* (ABC-TV, Nov. 12, 1991).

On November 17, 1992, the Task Force sent a letter to Tara Sonenshine of Nightline, requesting that Ms. Sonenshine meet with the Task Force and discuss her meetings with Jamshid Hashemi. The Task Force received no response from Ms. Sonenshine. *See* App. at 335-36.

52. *Nightline: Did Reagan Bush Campaign Make Hostage Deal* (ABC-TV, Apr. 15, 1991).
53. *Nightline: The October Surprise* (ABC-TV, Jun. 20, 1991).
54. *Id.* at 2.
55. *Id.* at 7.
56. *Nightline: The October Surprise Update* (ABC-TV, Jun. 26, 1991).

57. F. Snepp, *Brenneke Exposed,* The Village Voice, Sept. 10, 1991 at 27. *See also* F. Snepp, *Did the Israelis Co-Opt the October Surprise?*" The Village Voice, Jun. 25, 1991 at 30.

58. *Id.*

59. *Id.*

60. F. Snepp, *Finally . The October Surprise Tapes,* The Village Voice, Dec. 24, 1991 at 35.

61. F. Snepp, *October Surprise,* The Village Voice, Feb. 25, 1992 at 29.

62. C. Unger, *October Surprise,* Esquire, Oct., 1991 at 92.

63. *Id.* at 95.

64. *Id.* at 95.

65. *Id.* at 95.

66. *Id.* at 102.

67. S. Emerson and J. Furman, *The Conspiracy That Wasn't,* The New Republic, Nov. 18, 1991 at 16.

68. *Id.*

69. *Id.*

70. *Id.*

71. *Id.*

72. *Id.*

73. *Id.*

74. *Id.*

75. *Id.*

76. J. Barry, *Making a Myth,* Newsweek, Nov. 11, 1991 at 18. Both this article and the *New Republic* article, *infra,* were published the week *before* Gary Sick's book was released and, while clearly in anticipation of that book, did not cite to it.

77. *Id.* at 24.

78. *Id.* at 25.

79. *Id.* at 25.

80. *Id.* at 25.

81. *Id.* at 25.

82. *Id.* at 25.

83. W. Christopher, *Christopher Urges Probe of Hostage Deal Charge,* Los Angeles Times, Jan. 25, 1992 at A-18.

84. An open letter dated June 13, 1991 to the United States Congress from former American Hostages in Iran; An open letter dated January 29, 1992, to Congressmen Thomas Foley and Robert Michel and Senators George Mitchell and Robert Dole from former American Hostages in Iran. *See* App. at 337-338.

85. B. Laingen, *Yellow Ribbon* (1992); M. Kennedy, *The Ayatollah in the Cathedral Reflection of a Hostage* (1986).

VII. Alleged Contacts Between 1980 Reagen Campaign Officials and Representatives of the Iranian Government

H. Res. 258, Section 1(a): Communications by or on behalf of the 1980 Reagan Presidential Campaign, or individuals representing or associated with that campaign, with any person or persons representing or associated with the Iranian Government or those persons with Iran holding Americans as Hostages during 1979 and 1980.

A. Introduction

Paramount among the allegations that the Task Force investigated are the allegations that representatives of the Reagan Presidential campaign met with representatives of the Iranian government during the summer and fall of 1980 in order to delay the release of Americans being held hostage in Iran.

Certain of these allegations may fairly be characterized as "principle allegations." Those allegations concern meetings which supposedly took place in Madrid during the summer of 1980; at the L'Enfant Plaza Hotel in Washington, D.C. in the early fall; and in Paris in October 1980. Other alleged meetings or contacts of lesser importance and may therefore be characterized as "ancillary allegations." The latter allegations relate primarily to meetings or encounters that reportedly took place at the Mayflower Hotel in Washington, D.C. in the early spring of 1980; at the Churchill Hotel in London during the summer of 1980; and at the Sherry Netherlands Hotel in New York in January 1981.[1]

B. Meetings in Madrid During the Summer of 1980

1. The Allegations

Of the principle allegations of contact between the Reagan campaign and the Iranian government, the meetings in Madrid occur first in chronological order. In essence, these allegations hold that during the summer of 1980, William Casey and other Americans met on several occasions in Madrid with Cyrus and Jamshid Hashemi and with two Iranian officials sent at the direction of the Khomeini regime, and that a deal was struck to delay the release of Americans being held hostage in Iran.

Although other individuals claim to have knowledge about the Madrid meetings—or are alleged by others to have knowledge of the meetings—it is Jamshid Hashemi who is the principal source of these allegations, and it is Jamshid's account which merits the greatest focus.[2] Jamshid is the only living person who claims to be an eyewitness to the alleged events, and he is the first individual known to have made allegations about meetings in Madrid.[3]

In their original form, Jamshid's allegations are that meetings took place at the Hotel Ritz in Madrid in July 1980 between Americans and representatives of the government of revolutionary Iran.[4] The American delegation consisted of William Casey, Donald Gregg, and one other unidentified man. The Iranian delegation consisted of Mehdi Karrubi and his brother Hassan Karrubi. Cyrus and Jamshid Hashemi

also attended the meetings, providing translation services to the American and Iranian delegations.

Jamshid Hashemi had arrived in Madrid a few days before the meetings began. Upon his arrival, he and Hassan Karrubi registered at the Plaza Hotel under false names. Mehdi Karrubi stayed at the residence of the Iranian Ambassador to Spain,[5] while Cyrus Hashemi took a lavish suite at the Hotel Ritz.

According to Jamshid, the American and Iranian delegations held meetings on two consecutive days.[6] The first meeting took place in Cyrus Hashemi's suite at the Ritz. Mehdi Karrubi opened the meeting by criticizing U.S. policy toward Iran. When Karrubi finished, Casey spoke about the history of U.S.-Iranian relations. As alleged, the theme of Casey's presentation was that relations between Iran and the United States were good when Republicans were in control of the White House, and poor when Democrats were in control. Casey allegedly added that Ronald Reagan was going to win the upcoming presidential election, and that, if the hostages were released, the new Reagan Administration would return all of Iran's frozen financial assets as well as military equipment that had been purchased by the Shah's government but withheld by the Carter Administration after the hostages were taken. After approximately three hours, the meeting adjourned for lunch, with an agreement to meet again.

The next day, the two delegations reconvened. Mehdi Karrubi began the meeting by asking Casey about the purpose of these meetings. In particular, Karrubi wanted to know what Casey was authorized to say about the release of Iran's frozen assets. Karrubi acknowledged that it might be difficult for the Republicans to arrange the release of Iran's military equipment since they were not yet in power, but he inquired whether arms shipments might be arranged through a third country.

According to the allegations, Casey responded by asking if Iran was ready to deal with the Republicans, whether Karrubi had authority to conclude a deal on behalf of Khomeini, and whether he could give assurances that the hostages would be well treated. In addition—as described by Jamshid himself on a broadcast of ABC News Nightline—"Casey said the Iranians should hold the hostages until after the election . . . and the new Reagan administration would feel favorably towards Iran, releasing military equipment and the frozen Iranian assets." [7] Mehdi Karrubi allegedly replied that he had no authority to make this kind of a commitment and would have to return to Tehran to seek instructions from Ayatollah Khomeini. The parties understood that Karrubi would fly back to Iran, report on the meetings with Casey, and reestablish contact at a later date.

At this point in the story, there is a significant divergence between what Jamshid told Gary Sick and the sworn testimony that Jamshid gave to the Task Force. According to the version given to Sick, Jamshid was contacted by Mehdi Karrubi several days after the meetings in Madrid had ended. At that time, Karrubi told Jamshid that he wanted to meet again with Casey in Madrid. Jamshid, in turn, contacted Cyrus, who passed the message to Casey. Subsequently, a second round of meetings was scheduled for the second week in August. On about August 12, 1980, the same group that had attended the late July meetings reconvened at the Hotel Ritz in Madrid for another two-day round of meetings.[8]

According to Jamshid's sworn testimony, as much as seventeen days elapsed between the first and second sets of meetings in Madrid:

> Counsel: "Let me make sure I understand something here. You have a meeting in Madrid."
>
> Mr. Khan: [9] "Yes."
>
> Counsel: "And a couple of weeks go by."
>
> Mr. Khan: "Yes."
>
> Counsel: "And then your brother, Cyrus, asks you to set up another meeting."
>
> Mr. Khan: "Not to set up another meeting, to find out whether what Mr. Casey had asked Mr. Karrubi has reached a point where there could be another meeting, whether there was a possibility that he has had some answers from, let's say, Khomeini, and we could have another meeting in order to explain what Khomeini says."

Counsel: "So at that point you contact Mr. Karrubi."

Mr. Khan: "Haj Hassan, yes."

Counsel: "How long after that discussion do you have the next meeting?"

Mr. Khan: "Probably two or three days thereafter."

Counsel: "Two or three days later."

Mr. Khan: "That is right. Nothing more, because they were ready. They were actually expecting the call."

Counsel: "And that was in Madrid, too?"

Mr. Khan: "Yes." [10]

As for the content of the discussions between Casey and Mehdi Karrubi, Jamshid told Gary Sick the following:

> Karrubi opened the meeting by saying that Khomeini had approved Casey's proposal. The hostages would be removed from their prisoner status and would be "treated as guests." The Islamic Republic of Iran . . . would "go through the protocol" with the Carter administration, but the hostages would only be freed as a "gesture of goodwill" to the U.S. government on the day of Reagan's inauguration. In return . . . Iran expected that Casey and his colleagues, although not currently holding government office, would help the Iranians obtain certain arms and ammunition that they needed. Casey replied that he could not promise, but he said he had friends and he would try. He would give Karrubi an answer later.[11]

Casey and Karrubi then discussed details regarding how to delay the release of the hostages.[12] Karrubi told Casey that if he did not arrange for delivery of the weapons Iran needed, the hostages would not be freed. Subsequently, the meeting adjourned.

On the following day, Casey told Karrubi that Cyrus Hashemi would be introduced to a man in Madrid who would help Hashemi to receive and execute orders for military equipment. According to Jamshid, this man turned out to be an Israeli military officer.

Since the publication of the accounts on which the above narrative is based, Jamshid Hashemi has given sworn testimony to the Task Force. As indicated above, certain important aspects of Jamshid's original allegations have changed, such as when Jamshid asked Mehdi Karrubi to come out of Iran for the first meeting with Casey, how much time elapsed between the first and second rounds of meetings in Madrid, whether both sets of meetings occurred over a two-day period, and whether Casey proposed that Iran delay the release of the hostages. But other central components of the story have remained constant. Specifically, Jamshid has continued to maintain that Cyrus Hashemi, William Casey, and Donald Gregg simultaneously attended both sets of meetings in Madrid; that Jamshid stayed at the Plaza Hotel while in Madrid for the meetings; that the meetings took place at the Ritz Hotel; and that there were discussions regarding the American hostages in Iran.

2. Evidence Alleged To Support Jamshid Hashemi's Story

Evidence alleged to support Jamshid Hashemi's charges about meetings in Madrid falls within three categories: (1) records from the Plaza Hotel, where Jamshid and Hassan Karrubi allegedly stayed when the meetings took place; (2) documentary and testimonial evidence regarding William Casey's attendance at a conference in London at the same time of the alleged meetings in Madrid; and (3) supposed corroborating testimony by five individuals with knowledge of the Madrid meetings.

a. Records from the Plaza Hotel

The Task Force obtained original records from the Plaza Hotel which indicate that Jamshid Hashemi may have been a guest at the hotel during July and August 1980.[13] These records, which are compiled and maintained by the hotel for tax purposes, show the names of individuals registering at the hotel and the date of check-in.[14] The Task Force also obtained reliable supplementary information from a reliable but confidential source which confirmed that the dates shown in the Plaza Hotel tax

records are the date of check-in and, in addition, established the dates of check-out.

Considered as a whole, the information from the Plaza Hotel records shows the following activity during July and August 1980:

July 23, 1980 Robert Gray Checks in
July 25, 1980 Robert Gray Checks out
Abdululi Hashemi Checks in [15]
July 29, 1980 Abdululi Hashemi Checks out
July 30, 1980 Jamshid Khalaj Checks in
August 2, 1980 Jamshid Khalaj Checks out
August 8, 1980 Ali Balanian Checks in
August 11, 1980 Hasan Mohamad Checks in
August 12, 1980 Parsa Jamshid Checks in [16]
August 13, 1980 Ali Balanian Checks out
Parsa Jamshid Checks out

At his deposition, Jamshid claimed to have had an independent recollection that he used the names "Abdula Hashemi," "Jamshid Khalaj," and "Jamshid Parsa" as aliases in 1980.[17] He also testified that he used the name "Mohamed Balanian" in 1980.[18] Jamshid identified the name "Hassan Mamoud" as an alias used by Hassan Karrubi.[19]

It is uncertain whether Jamshid Hashemi originally claimed that the two sets of meetings in Madrid occurred during the period reflected in the Plaza Hotel records. Gary Sick, for example, writes that Jamshid "remembered the meetings being in July and August, but he was unable to reconstruct the precise dates." [20] The uncertainty regarding the dates of the alleged meetings, however, while not eliminated, has been substantially diminished as a result of sworn testimony given by Jamshid to the Task Force.

At his deposition, Jamshid claimed to have shown copies of pages from the Plaza Hotel tax records on which the names shown above appear.[21] Jamshid recalled being shown similar information from Plaza Hotel records by ABC News personnel Tara Sonenshine, Ted Koppel, and Jeff Greenfield, who were then working on a production of "Nightline" regarding the "October Surprise" allegations.[22] Although Jamshid distinguished the format of the information shown to him by ABC from the Plaza Hotel tax records shown to him by the Task Force, he testified that "the list which Mr. Ted Koppel gave me coincided with the dates that I have been [to Madrid]." [23] The following exchange between counsel and Jamshid then took place:

> COUNSEL: "So if I understand you correctly, . . . if we went to Ted Koppel and his associate, Tara Sonenshine, whatever, and we got the hotel records that they presented to you and which you identified as the dates when you are in Madrid—"
>
> Mr. KHAN: "Yes."
>
> COUNSEL: "—those would be the dates that were accurate?"
>
> Mr. KHAN: "Absolutely, yes. 100 percent." [24]

In sum, information from records of the Plaza Hotel could be construed to corroborate Jamshid Hashemi's assertion that he was in Madrid in July and August 1980. Equally important, as discussed above, Jamshid testified that the meetings which allegedly took place in Madrid between William Casey, the Hashemi brothers, and the Karrubi brothers occurred during the period encompassed by the hotel records on which his alias names appear. According to this testimony, the two sets of alleged meetings occurred within the period of July 25-August 13, the first and last times that names recognized by Jamshid appear in the hotel records.[25]

Further, it must be remembered that Jamshid has alleged that the first set of meetings took place in late July, that the second set of meetings occurred in August, and that the two sets of meetings were approximately two weeks apart.[26] Thus, using the same analysis, the hotel records indicate that the first meetings would have occurred during the period of July 25–29, and that the second set of meetings would have occurred during the period of August 8–13.[27]

b. Casey's Attendance at London Conference

During the last week of July 1980, William Casey attended a conference in London on the Second World War, at which he presented a paper on intelligence operations during the war.[28] The conference began on July 28 and concluded on July 31.[29]

Prior to the Task Force's investigation, certain portions of Casey's whereabouts during the three-day period before the conference began could not be established. In addition, Casey could not be located for certain periods of time during the conference. These factors, combined with the fact that the dates of the

conference coincide with the alleged meeting in Madrid in late July, generated great speculation that Casey used the London conference as a cover to attend meetings in Madrid.[30] Indeed, the discovery of Casey's attendance at the conference was widely regarded as a major breakthrough which put Casey in Europe at a time when, in theory, he could have attended the alleged meetings.

c. Corroborating Testimony

According to one published account, Jamshid's allegations regarding the Madrid meetings have been corroborated by five individuals: (1) Ahmed Madani; (2) Arif Durrani; (3) Heinrich Rupp; (4) Ari Ben-Menashe; and (5) Richard Babayan. These individuals reportedly "have independently confirmed that these meetings took place and that Jamshid Hashemi's account with respect to the content of the Casey-Karrubi talks is substantially accurate . . ." [31] A sixth person, Hushang Aryanpour, testified that Jamshid informed him on two separate occasions that meetings had occurred in Madrid in 1980.[32]

(i) Admiral Ahmed Madani

A former Iranian Minister of Defense and candidate for the presidency in Iran, Madani has known Cyrus and Jamshid Hashemi since childhood and was in contact with them during 1980.[33] Madani allegedly told Gary Sick that he "was aware of the Hashemis' contacts with William Casey starting in early 1980 and of the Madrid meetings." [34]

(ii) Arif Durrani

A Pakistani-born arms dealer, Durrani told journalists Robert Parry and Robert Ross that he was informed of the meetings in Madrid by Mohsen Rafiqdust, the head of Iran's Revolutionary Guard.[35] In an on-camera interview, Durrani has also claimed that he was informed by Rafiqdust and Mohsen Reza'i "and the Revolutionary Guard officials" that Mehdi Karrubi had meetings with William Casey in Spain.[36]

(iii) Heinrich Rupp

Rupp, a self-professed former pilot for the CIA, reportedly told Robert Parry and Robert Ross that "he was involved in several flights to Spain in the summer of 1980, two of which were to Madrid for secret contacts between Casey and the Iranians." [37]

(iv) Ari Ben-Menashe

Ben-Menashe, a former Israeli intelligence officer, told Gary Sick that he has "read Israeli intelligence reports describing these meetings" and, according to Sick, "volunteered significant details that independently confirmed [Jamshid] Hashemi's account." [38]

Ben-Menashe is an Israeli citizen who was born in Tehran, Iran on December 4, 1951. He left Iran at the age of 14 for Israel.[39] Ben-Menashe stated that he attended the American School and the Bar Ilan Orthodox University of Israel, graduating in 1973. On May 6, 1974, he joined the Israeli Army.[40] Ben-Menashe stated that he received full infantry basic training with the Golan Brigade.[41] Thereafter, he indicated that he signed a two-year contract with a signals intelligence unit responsible for de-coding Iranian messages.[42] Ben-Menashe claimed to have remained with this unit until 1977.[43]

Ben-Menashe told the Task Force that he was court-martialled for refusing an order to be transferred to a signal intelligence unit in Italy. He said that he received a fourteen-day jail term but was awaiting a full pardon two days after being released from jail.[44] Ben-Menashe testified that he was subsequently recruited by the Israeli secret service Mossad and the internal security service Shin Bet but decided not to work with either of them.[45] Instead, Ben-Menashe said he decided to join the External Relations Department, a unit of Israeli Military Intelligence which handled liaisons with foreign intelligence services.

In his duties in the External Relations Department, Ben-Menashe said that he dealt with the CIA and that beginning in late 1977, he began traveling to Tehran.[46] During this time, Ben-Menashe testified that he became acquainted with Mehdi Kashani, an Iranian who allegedly had ties to Ayatollah Khomeini. Ben-Menashe said that he also had contacts with Uri Lubrani, the Israeli Ambassador to Iran at the time, and with the deputy Israeli military attache in Tehran.[47]

According to Ben-Menashe, in late 1979, David Kimche, then a top official of Mossad, asked Ben-Menashe to accompany Kimche to the United States to provide a briefing on Iran.

During this trip, Ben-Menashe allegedly delivered this briefing at a private home in Washington, D.C., where he met Miles Copeland, a former CIA official (now deceased), William Casey, and Robert McFarlane.[48] Ben-Menashe said he overheard discussions by the parties on how to restore the hostage crisis and how Israel could assist in normalizing the United States' relations with Iran.

Ben-Menashe said that in early 1980, he arranged a meeting between Kashani and the Director of Israeli military intelligence, General Yehoshua Saguy. From April to August 1980, Ben-Menashe allegedly met with Kashani and other Iranians in Europe. During the course of these meetings, he allegedly learned from Kashani that Casey had met with Mehdi Karrubi on four occasions in Spain.

Ben-Menashe testified that he has knowledge of four meetings in Spain in 1980 between William Casey and Mehdi Karrubi, although he was not present at any of these meetings.[49] He claimed that he learned of these meetings from Mehdi Kashani and another Iranian by the name of Khosro Fakhrieh.[50] According to Ben-Menashe, the first three meetings took place in Madrid, and the fourth one occurred in Barcelona.[51] The first meeting allegedly took place in February or March; the second meeting took place in April or May; the third one at the end of July; and the fourth one in August or September.[52] Ari Ben-Menashe testified that the purpose of the Americans who were involved in these meetings was to obtain the release of the hostages.[53] The Iranian side's objective was to obtain the release of assets frozen by the United States in order to enable Iran to purchase arms.[54]

According to Ben-Menashe, the Americans in attendance at the meetings in Madrid were William Casey, Robert Gates, Earl Brian, and Robert McFarlane. The Iranians allegedly present were Mehdi Karrubi, Mehdi Kashani, Ahmed Omshei, and Khosru Fakhrieh.[55] Cyrus and Jamshid Hashemi, Ben-Menashe testified, were not present at any of these meetings, and Ben-Menashe specifically distinguished these meetings from meetings that the Hashemi brothers allegedly had with Casey and Mehdi Karrubi in Spain during the same period.[56] Ben-Menashe could not offer any explanation for the Hashemi meetings, which he characterized as separate side meetings.[57] Nor could he explain why Cyrus Hashemi, whom he portrayed as a representative of the Carter Administration at secret talks held with Reza Passindideh in Madrid on July 2, 1980, would be meeting with William Casey, a senior official of the Reagan Presidential campaign.[58]

Ben-Menashe allegedly learned about the first meeting in Madrid from Kashani when Kashani traveled to Israel in early April 1980.[59] Kashani allegedly told Ben-Menashe that both Kashani and Karrubi were present at this meeting, as was William Casey. This information was subsequently confirmed to Ben-Menashe by Rafi Eitan in the presence of Israeli intelligence officials Yehoshua Saguy and Yitzhak Hebroni.[60] Ben-Menashe allegedly learned about the Casey-Karrubi meeting in Madrid in July 1980 in the same manner: *i.e.*, originally from Kashani, and subsequently confirmed by Eitan.[61]

According to Ben-Menashe, the meetings in Spain were preceded by a trip to Iran by Earl Brian and Robert McFarlane to lay the groundwork for meetings between William Casey and senior Iranian officials. At his deposition, Ben-Menashe testified that Robert McFarlane and Earl Brian traveled to Iran in January or February 1980 to begin discussions with Iranian government officials regarding the hostages.[62] Ben-Menashe claimed that the purpose of the McFarlane-Brian trip to Tehran was to arrange for a meeting between William Casey and Mehdi Karrubi in Spain.[63] Ben-Menashe further testified that while McFarlane and Brian were in Tehran, they did, in fact, arrange for Casey and Karrubi to meet in Spain.[64]

Ben-Menashe allegedly learned about the McFarlane-Brian trip in 1980 from Mehdi Kashani.[65] Rafi Eitan allegedly later confirmed Kashani's information to Ben-Menashe, based on information he had obtained from McFarlane.[66] Ben-Menashe asserted that Rafi Eitan, Yeshoshua Saguy, Yitzhak Hebroni, and Meir all can corroborate the allegations regarding a McFarlane-Brian trip to Tehran.[67]

(v) Richard Babayan

Babayan, an Iranian national presently in jail in Florida on securities fraud charges, testified that an Iranian Intelligence official by the name of Mohsen Baranriz visited Babayan in Paris in early August 1980 and told him about meetings

that just concluded in Madrid at the end of July 1980 involving William Casey and Iranian officials.[68] According to Babayan, Baranriz was one of the members of the Iranian delegation to Madrid.[69] Babayan testified that he knew in advance that Baranriz was coming to Europe to attend meetings, although Babayan "did not know the nature of these meetings." [70] He also testified that he had knowledge that Mehdi Karrubi and Hassan Karrubi were members of the Iranian delegation to the Madrid meetings.[71] Baranriz allegedly told Babayan that at the Madrid meetings, Casey told the Iranians that the incoming Reagan Administration would resume U.S. arms shipments to Iran in return for delaying the release of the hostages.[72] Baranriz also allegedly told Babayan that he had come to Paris "to brief us on what he had seen. And then he had to fly straight back to Madrid because there were more meetings needed to be held in August of 1980." [73] According to Babayan, Baranriz telephoned him three or four days after he left Paris and told Babayan that a second set of meetings involving Casey had taken place.[74]

(vi) Houshang Aryanpour

Aryanpour, a former Admiral in the Iranian Army and a close associate of Ahmed Khomeini in 1980, testified that he learned about the alleged meetings in Madrid from Jamshid Hashemi. Aryanpour said that Jamshid first told him about the meetings in Madrid in mid-1988. Aryanpour had gone to see Jamshid to show him a letter that he had written to ABC News about the shooting down in July 1988 of an Iranian Airbus by U.S. military forces in the Persian Gulf region.[75] On that occasion, Aryanpour and Jamshid discussed the Iran-Contra affair and reports of contacts between the Reagan Administration and representatives of the Iranian government regarding Americans held hostage in Lebanon.[76] When Aryanpour told Jamshid that he believed there had been similar meetings before Reagan's election. Jamshid replied that he had attended a meeting in Spain in 1980 between William Casey and Mehdi Karrubi.[77] According to Aryanpour, Jamshid did not mention Cyrus Hashemi's presence at this meeting.[78] Aryanpour did not recall whether Jamshid said that Hassan Karrubi was at the meeting.[79]

Aryanpour testified that Jamshid did not provide any additional information on this occasion about the alleged meetings in Madrid.[80] Aryanpour, for his part, did not ask Jamshid where in Spain the meetings had occurred.[81] Aryanpour did ask Jamshid, however, if he had any proof of the alleged meetings in Spain. According to Aryanpour, Jamshid replied that "when the time comes, I will provide . . . the proofs . . ." [82] Jamshid did not mention any particular proof of the meetings at the time.[83]

Following the April 16, 1991, "Frontline" broadcast regarding the October Surprise allegations, Aryanpour saw Jamshid again at Jamshid's home in McLean, Virginia.[84] During this visit, Aryanpour asked Jamshid about news reports of contacts between the 1980 Reagan campaign and Iranians. Jamshid re-affirmed that meetings between Reagan campaign officials and representatives of the Iranian government had taken place in Spain in 1980, and that he attended these meetings.[85] Jamshid also told Aryanpour that he possessed a photograph of one of the meetings in Spain involving Casey.[86] When Aryanpour asked who is in the photograph, Jamshid indicated that himself, Casey, and Mehdi Karrubi appear in the photograph.[87]

Jamshid made no mention to Aryanpour of Cyrus Hashemi's presence at the meetings in Spain. According to Aryanpour, Jamshid told him that "[n]obody else" but Jamshid, Casey, and Mehdi Karrubi attended the meetings.[88] In fact, Jamshid has never indicated to Aryanpour that Cyrus had a relationship with Casey.[89]

When asked by Task Force counsel if he had knowledge of meetings in Spain from any sources other that Jamshid, Aryanpour testified that various persons affiliated with Iranian dissident organizations in Paris have told him that they believe these were meetings in 1980 between Reagan campaign officials and representatives of the Iranian government.[90] When he asked them for proof, these individuals simply told Aryanpour that "this is an understanding . . . [an] adding up of two and two together." [91] Aryanpour did not ask these persons to identify their sources of information about the alleged meetings.[92] He testified, however, that apart from Jamshid, no one has ever told him that they personally observed Casey with any

Iranian officials, or with either of the Hashemi brothers.[93]

(vii) Abol Hassan Bani-Sadr

Bani-Sadr claims to have hearsay knowledge of the alleged meetings in Madrid by virtue of information obtained essentially contemporaneously from a variety of sources close to Khomeini. None of these sources of information actually participated in the events. Bani-Sadr also has formed an opinion that the meetings occurred based on his examination of events after the fact. That is, he has studied the historical record, spoken to others alleged to have knowledge of the events under investigation shortly after the events in question, and he continues to maintain channels of communication with dissident elements within Iran who are still making inquiries into the October Surprise story. Bani-Sadr could offer no direct evidence that the matters under review actually occurred. Furthermore, according to Bani-Sadr's analysis, the October Surprise allegations are integrally intertwined with his overthrow, thereby complicating an already complex line of reasoning.[94]

On January 25, 1980, Bani-Sadr was elected president. Ghotbzadeh was named as the Foreign Minister. Bani-Sadr was still actively trying to solve the hostage crisis. Khomeini and his son Ahmed appeared to be working at cross purposes with Bani-Sadr. As spring approached, no real progress had been made toward the resolution of the crisis. Ghotbzadeh opened a channel involving the use of French lawyers, Francois Cheron and Christian Bourget.[95] The U.N. General Secretary was entrusted to establish a commission of inquiry to help resolve the situation. Bani-Sadr felt progress was being made. However, just as a breakthrough was about to occur according to Bani-Sadr, Khomeini did something to quash it. Bani-Sadr called for a meeting of the Council of Ministers threatening to resign because of the resistance he was receiving from the mullahs regarding the hostage negotiations. At the meeting Beheshti is said to have admitted to running interference and promised future cooperation. In fact, according to Bani-Sadr, Beheshti's gesture was insincere. Bani-Sadr stated that Beheshti and the mullahs still planned to sabotage any hostage negotiation progress so as to allow the ascension of the clerics.[96]

It is this perception, that Beheshti was working behind his back to sabotage the Bani-Sadr/Carter hostage negotiation process, that leads Bani-Sadr to the conclusion that Beheshti was secretly working with the Republican party as early as the spring of 1980. When pressed for details as to the underlying facts which lead him to reach this conclusion, Bani-Sadr offered the following explanation:

> Q: So, from that we can conclude that Mr. Beheshti was not working with you, he was working against you. Now you conclude from that because he was working against you and because he was working against Mr. Carter, he must have been working with Mr. Reagan. Now, could it be that he was just working against you and working against Mr. Carter without working with Mr. Reagan?
>
> A: It was not a conclusion. It was a confirmation. A confirmation of information which they already had about contacts having been made with Reagan's clan.

Bani-Sadr provided nothing more specific information on this point. No documentary evidence was furnished to the Task Force counsel on this matter.

Bani-Sadr continued with his analysis that contacts had been made and meetings were held between Republicans and Iranians by reviewing the events surrounding the meeting between Reza Passendideh, Cyrus Hashemi and Stanley Pottinger on July 2, 1980 in Madrid, Spain.[97]

Reza Passendideh was the son of Ayatollah Passendideh, Khomeini's older brother. Through a series of negotiations involving Cyrus Hashemi, Max Moini-Eraghi and Stanley Pottinger, Reza Passendideh obtained Khomeini's permission to meet with an American government representative regarding the hostages. The State Department elected not to participate directly in the meeting. Instead, it relied on Stanley Pottinger, a former Justice department official in the Ford Administration, and then an attorney/business associate of Cyrus Hashemi to meet with Passindideh. Pottinger was only commissioned to "hear out" Passindideh and aid in determining his credibil-

ity. He was not authorized to speak formally on behalf of the United States. Objectively, nothing ever came out of the meeting as far as the hostage negotiations were concerned.[98]

Bani-Sadr saw these events differently. He told the Task Force he did not authorize or even know of the Passendideh trip before hand.[99] According to Bani-Sadr, Passindideh therefore must have travelled to Madrid with Khomeini's permission as, according to Bani-Sadr, Passindideh lacked the clout to make such a trip on his own without some form of official sanctioning. At the time of his trip, the Carter administration had three avenues of negotiation already open.[100] Accordingly, said Bani-Sadr, Passindideh could not, in fact, have gone to Madrid to negotiate with Carter's representatives. Such an exercise would have been redundant. As Bani-Sadr related it:

> Q: Well, did Mr. Passindideh tell you, Mr. President, who he had met?
>
> A: So I said "who are these Americans?" And he said it was Mr. Reagan's envoys.
>
> Q: So, Mr. Passindideh believed that the people that he was meeting were people that Reagan had sent?
>
> A: Yes, quite. Because he told me that if the "deal is not made with you then they'll make a deal with your rivals." And with Mr. Carter they were already in contact. They had three different channels of communication with President Carter. Those two French lawyers, the Swiss Ambassador, the German Ambassador. So it wasn't worth talking about that with Mr. Passendideh.
>
> Q: So your, just for the sake of summarizing so that I clearly understand it. Mr. Carter has three channels open through you. Mr. Passindideh, at Mr. Khomeini's behest, meets with two people in Madrid, Mr. Hashemi and Mr. Pottinger. You believe that when Mr. Passindideh met with them, all they did was discuss negotiations on behalf or Mr. Reagan and not Mr. Carter, is that right? [101]
>
> A: Uh huh.
>
> Q: And you believe that because that's what Mr. Passindideh told you when he got back from the meeting, that they never mentioned that they were there at Mr. Carter's request.
>
> A: Absolutely.[102]

Thus, the second basis upon which Bani-Sadr concludes that contacts had been made between the Republicans and Iranians stems from his perception of the "true purpose" of the Passindideh trip. Indeed, it is this trip by Passindideh that Bani-Sadr says is in July between Republicans and Iranians.[103] He never discussed anything about the alleged July 26–27, 1980, Madrid meetings.

It should be noted that while Bani-Sadr is correct that the Carter Administration had been utilizing the French lawyer, Ambassador Lang and Ambassador Ritzel, given the pace of those channels, it is hardly surprising that the Carter Administration would be trying to accelerate the process through any viable channel.

Bani-Sadr offered no specific information about alleged meetings in Madrid in August 1980. Rather, he told the Task Force that after Passindideh returned from Madrid in July, he continued to receive information of continuing contacts between Republicans and Iranians. He stated only the following about an August contact:

> Q: Okay, so during this time, after Passindideh came back, what you're saying is that you were receiving vague information that there were continuing contacts between Mr. Beheshti, the Rafsanjani group and the Republicans, at the time. Did I say that correctly?
>
> A: They met once in August. It was a Revolutionary Council. They met and Khomeini's son Ahmed was present. It was there that Mr. Beheshti asked Mr. Bani-Sadr for a letter. The letter was suppose to say that Mr. Bani-Sadr pledges himself if this thing with the hostages is solved he is going to abstain from any criticism. So Mr. Bani-Sadr told Mr. Behesti "if it's a matter of negotiating with Carter, it is not up to you, it is up to the President to do. If you are speaking about settling this with the rivals, with Carter's

rivals, this is the worst possible thing. How can you possibly expect me to give you such a letter of guarantee?" So then he didn't say they were going to deal with Carter or solve it with Carter. So Bani-Sadr said "Well this proves that you've been in contact with the Reagan group if not." Beheshti could not say no, could not deny this. So Ahmed, Khomeini's son was present so Mr. Bani-Sadr said "go tell about this to your father." [104]

* * * * *

Q: When was this meeting with you and Behesti when Behesti wanted you to write this letter wherein you would not criticize them if they settled the hostage crisis?

A: 27th of August 1980.[105]

The significance of this dialogue, according to Bani-Sadr, is that Bani-Sadr attended a Revolutionary Council meeting with Behesti wherein Beheshti asked Bani-Sadr to promise not to criticize Beheshti if the hostage crisis was not solved through the auspices of Bani-Sadr. Bani-Sadr, as a president of Iran, properly believed that only he was authorized to negotiate on behalf of Iran. Thus, when Behesti asked for the letter of guarantee and refused to deny that he (Beheshti) may be trying to solve the hostage crisis himself, Bani-Sadr concluded that these two factors established that the clerics were engaged in negotiations with Republicans (as well as trying to topple his presidency).[106]

Bani-Sadr's position, while interesting, does not establish a factual predicate upon which the Task Force could concur in his conclusion. Bani-Sadr offered no other specific information regarding he alleged August meetings in Madrid.

(viii) Sadegh Ghotbzadeh

Sadegh Ghotbzadeh made several public statements in September and October 1980 alleging that a deal to delay the hostages' release may have taken place.[107]

On September 6, 1980, the French news agency Agence-France-Presse quoted Ghotbzadeh as saying that he had "information" proving that the "Reagan camp was trying hard to block a solution of the [hostage] problem before the elections." He added: "In addition, the Soviet Union and its agents inside Iran, that is, the Tudeh are insisting that this problem not be solved. The most important agreements the USSR has ever concluded with the United States have been made with Republican administrations." [108]

Apparently, Ghotbzadeh's cryptic comment came from an open letter he wrote to the Majlis on August 18, 1980 in which he argued for a quick release of the hostages. The letter was carried in the Iranian newspaper Islamic Revolution on September 11, 1980.[109] In the letter, Ghotbzadeh said: "Another point is that we know that the United States Republican Party, in order to win the coming election campaign, is trying hard to delay the solution of the hostage issue until after the United States elections. It is clear that under such conditions during the four coming years anytime this problem is solved we have acted according to the wishes of the United States Republican Party. Even so we have not proved anything in our interest but have acted to bring a more dangerous group than the incumbent one to power." [110] Later, he added: "It is interesting to note that some people suggest that let the hostage issue be settled a few months later; that sounds pleasing to the ears of the Republicans." [111]

Sounding the alarm that aiding a Republican victory would spell dire consequences for Iran, Ghotbzadeh said, "When we are talking about how to exploit the American domestic conflicts it means that if the Republicans win they will not have the problem of elections for a period of four years and the Rockefeller banks which have frozen our assets will keep the existing conditions as they are and will never allow us to withdraw our money and create problems for those banks. Then, they will have four more years to delay the matter." [112]

Five days after his letter to the Majlis was published in the Iranian press, Ghotbzadeh told Reuters that it would be a "disaster if Reagan becomes President" because "Reagan, supported by Kissinger and others, has no intention of resolving the problem. They will do everything in their power to block it. And obviously the election of Mr. Reagan, in our estimation, will be a disaster." [113]

Many years later, Joseph Persico added the potential for some additional insight into Ghotbzadeh's comments while reviewing Gary Sick's book *October Surprise* for the *New York Times.* At the conclusion of his review, Persico wrote that "two friends of Ghotbzadeh who spoke to him frequently during this period [September 1980] said that he insisted repeatedly that the Republicans were in contact with elements in Iran to try to block the hostage release." [114]

Manucher Ghorbanifar, an Iranian arms dealer who figured prominently as a middleman in the Iran-contra affair, added another twist to Ghotbzadeh's saga. Ghorbanifar wrote in the *New York Times* on August 28, 1991 that Ghotbzadeh was receiving messages from the Reagan campaign in late summer or early fall 1980 *not* to delay the hostages' release but rather, warning the foreign minister to resolve the crisis before the United States presidential elections. Ghorbanifar said his information came from "former and current government officials at the highest levels in Europe and Iran." [115] As with any statement by Mr. Ghorbanifar, one must consider the source.[116]

Carol Jerome was the Paris bureau producer for the Canadian Broadcasting Corporation when she met Ghotbzadeh in 1978 and became intellectually, professionally and romantically involved with him up until his death in 1982. In an interview with the Task Force, she interpreted Ghotbzadeh's comments as meaning that Henry Kissinger and David Rockefeller were behind the continued breakdown in the negotiations between the Carter Administration and Ghotbzadeh to effect a hostage release. She said that Ghotbzadeh's suspicions that Kissinger and Rockefeller were involved traced back to the failure of the Iranian government to extradite the Shah from Panama and Ghotbzadeh's suspicion that the two men had a hand in ensuring that the Shah left Panama before the official extradition papers could be presented to the Panamanians. But she could find no proof of the allegation.[117]

Jerome testified "when I was writing the book that I could not give any credit or credence to that story. That in any way the Republicans had interfered with Sadegh's or anybody else's negotiations that might have helped free the hostages," Jerome said under oath.[118] Jerome also said under oath that Ghotbzadeh never mentioned to her anything about contacts between representatives of the Iranian government and individuals associated with the Reagan campaign.[119]

Christian Bourguet was a close friend of Ghotbzadeh who also handled Iran's legal affairs throughout the hostage crisis. He met Ghotbzadeh in March 1972, when he was asked by Ghotbzadeh to look into human rights abuses by the Shah's regime in Iran. In an interview and deposition with Task Force counsel, Bourguet stated that Ghotbzadeh suspected there were contacts between members of the Republican party and the clerical elements of Iran's government in 1980, specifically mentioning Kissinger as one of the individuals whom Ghotbzadeh believed was a party to the contacts. However, Bourguet said that neither he nor the former foreign minister had any evidence that such contacts were taking place.

Bourguet testified under oath that "I have not seen anything, anything about that. The only thing I can say as I told you, the fact that such contacts could happen, was in Ghotbzadeh's mind for sure. [He] always told me that he suspected that things like that were happening. He had no evidence of that but he was suspecting that. And he was, he believed that Kissinger or people around him had kept the close contacts in Iran and could discuss behind his back with the clerics through commercial channels. He was positive of it." [120]

Bourguet then said that he believed Ghotbzadeh's hunch that Kissinger was involved in contacts with the religious party in Iran's government had its roots in Iran's failed attempt to extradite the Shah from Panama in late March, 1980. Bourguet said his reasoning for this assumption was three-fold: (1) the officials in Panama knew Bourguet was coming to Panama with the extradition documents; (2) the Shah's people had knowledge of the extradition papers' contents before they arrived in Panama; and (3) the mystery surrounding a $1 million check that was sent to Ghotbzadeh as a reward for his alleged help on the hostage issue.[121]

Task Force counsel also interviewed and deposed Francois Cheron, another of Ghotbzadeh's close legal associates and personal friends in France. Cheron said that during one of his many stops in Tehran in the summer of 1980, Ghotbzadeh told him that indirect meet-

ings were held between Reagan campaign officials and high-level members of the Islamic Republican Party (IRP) in August 1980 in either Paris or Madrid. Cheron said Ghotbzadeh did not specifically name anyone from the Reagan team who were allegedly part of these indirect contacts, though, on the Iranian side he did mention "the religious Beheshti and the son of Khomeini (Ahmad Khomeini)." [122]

Jacques Montanes is a French pilot who allegedly was one of three members of a technical team sent to Iran in September 1980 to develop a procurement list of military supplies needed by Tehran. Montanes informed the Task Force that Ghotbzadeh told him "on one occasion" that he knew of secret contacts between officials connected with the Reagan campaign and representatives of the religious faction in Iran's government. Moreover, Montanes said that "Ghotbzadeh tried to slip the word to the Carter Administration, I know that because I went with him, that negotiations were taking place." [123] On that front, Montanes added that he thought Ghotbzadeh "might have slipped some information to some French people he was dealing with, some people who were later dealing with the Carter Administration" about his knowledge of the secret contacts. [124] However, Montanes said that Ghotbzadeh did not enlighten him as to who the parties were to the alleged negotiations and that he did not have any proof that any contacts actually took place.

The Task Force cannot determine with certainty the underlying basis behind Ghotbzadeh's statements to the press and his letter to the Majlis baldly stating that the Republican campaign was making a concerted effort to bar the hostages' release. Task Force interviews with Carol Jerome, Christian Bourguet, Francois Cheron, and Jacques Montanes, all of whom who were closely associated with the former foreign minister, offer some insight. That is, Ghotbzadeh comments appear likely to be a reference to contacts made by Kissinger and Rockefeller on behalf of the Shah or in furtherance of their banking interests. Furthermore, the Task Force uncovered nothing to corroborate Ghotbzadeh's statements, and the absence of corroboration is itself telling. The safe conclusion is that Ghotbzadeh had a bona fide belief in the truth of his assertions. Logic dictates, given his repeated reference to Henry Kissinger and David Rockefeller, that his belief was rooted in the actions taken by those two Republicans to assist the Shah in finding a safe exile.[125] It is also plausible, given the turbulent political maelstrom in Tehran in 1980, that Ghotbzadeh's statements were colored by his abiding belief that the clerics were twisting the true path of the Iranian revolution, were using the hostage detention to their advantage, and were capable of any perfidy. What is clear is that his oft-repeated statements provided the basis for more elaborate statements made by others.

d. References to Madrid on Electronic Surveillance

The Task Force has obtained evidence that Cyrus Hashemi may have traveled to Spain on one occasion during 1980. Homa Hashemi testified that Cyrus traveled to Spain in the summer of 1980 to pick up his parents, who had recently left Iran and were on their way to London.[126] But information from the FBI's electronic surveillance of Cyrus Hashemi indicates that Cyrus made this trip in September 1980, long after the alleged meetings in Madrid.[127] Further, Mrs. Hashemi testified that had Jamshid Hashemi been in Madrid when Cyrus was there to pick up his parents, Cyrus "definitely" would have mentioned Jamshid's presence to her.[128]

3. Evidence Tending To Refute the Allegations

a. Whereabouts of Alleged Participants

The whereabouts of the participants in the alleged meetings in Madrid during the relevant time period is the best evidence of whether these meetings could have taken place.[129] Obviously, establishing the whereabouts of any of the alleged participants at a location other than Madrid during the relevant time period is a strong basis to conclude that the allegations of meetings in Madrid are untrue.

The principal allegation, authored by Jamshid Hashemi, is that William Casey, Cyrus Hashemi, Donald Gregg, and Mehdi Karrubi met together in Madrid in July and August of 1980. Jamshid also alleged that each set of meetings took place during a two-day period.[130] Based on Jamshid's testimony, the alleged meetings most likely took place during the periods of July 25–July 29 and August 8–17.

(i) Cyrus Hashemi

Cyrus Hashemi, of course, is one of the linchpins in the Madrid allegations. According to Jamshid Hashemi's allegations, Cyrus made the arrangements for the Madrid meetings, the meetings took place in Cyrus's suite at the Ritz Hotel, and Cyrus attended all of the meetings.[131] Without Cyrus Hashemi, these meetings simply could not have occurred.

Utilizing telephone records and other contemporaneous documents, the Task Force was able to determine with substantial precision Cyrus Hashemi's whereabouts during the period of July 25–29, 1980. Of particular value were telephone records and attorney time sheets provided to the Task Force by Stanley Pottinger, who worked closely with Hashemi during the summer of 1980.

Telephone toll records obtained by the FBI provided additional evidence of Cyrus's whereabouts. These records, combined with other information obtained by the FBI, provided information regarding outgoing calls from Cyrus Hashemi's home in Wilton, Connecticut, including the date of the call, the number called, the subscriber to that number, the time of day the call was made, and the duration of the call.[132]

Together, the aforementioned records provide the following picture of Cyrus Hashemi's whereabouts:

July 25, 1980 (Friday)

—According to Stanley Pottinger's contemporaneous notes and diaries, Pottinger met with Cyrus Hashemi in New York on this date.[133]

July 26, 1980 (Saturday)

—At 10:05 a.m., a call was made from Cyrus Hashemi's home in Wilton, Connecticut to John Shaheen's home in Southampton, New York. According to the toll records, the call lasted for 2 minutes. At 10:07 a.m., another call of 4 minutes' duration was made to Shaheen's home in Southampton.

—At 10:19 a.m., a call was made from Cyrus Hashemi's home to the Bethesda, Maryland, home of Stanley Pottinger, Cyrus Hashemi's attorney. At 10:20 a.m., a call was made from Cyrus Hashemi's home to Mr. Pottinger's office in Washington, D.C. According to the toll records, the duration of both calls was 1 minute.[134]

—At 4:49 p.m., a 2-minute call was made from Cyrus Hashemi's home to a number in New York subscribed to by Paul W. Skinner.

—6:50 p.m., a 2-minute call was made from Cyrus Hashemi's home to a number in Queens, New York, subscribed to by Mrs. Dora Bahrami.

—At 7:18 p.m., a 6-minute call was placed from Stanley Pottinger's home in Bethesda to Cyrus Hashemi's home in Wilton.

July 27, 1980 (Sunday)

—At 8:05 p.m., a 1-minute call was made from Stanley Pottinger's office in Washington, D.C. to Cyrus Hashemi's home in Wilton.

—At 8:54 p.m., a 1-minute call was made from Cyrus Hashemi's home in Wilton, Connecticut to the Bethesda, Maryland, home of Stanley Pottinger.[135]

July 28, 1980 (Monday)

—At 9:58 a.m., a 3-minute call was made from Stanley Pottinger's office in Washington, D.C. to Cyrus Hashemi's office in New York.

—At 7:50 p.m., a 1-minute call was made from Cyrus Hashemi's home in Wilton, Connecticut to the Queens, New York, home of Alanna Torres, Cyrus Hashemi's secretary. At 7:51 p.m., another one-minute call was made to Ms. Torres' home.

—At 10:32 p.m., Stanley Pottinger placed a 6-minute call to Cyrus Hashemi's home in Wilton from a locale in New York.[136]

July 29, 1980 (Tuesday)

—At 1:35 p.m., a 5-minute call was made from Stanley Pottinger's office to Cyrus Hashemi's office.

—At 2:12 p.m., a 10-minute call was made from Pottinger's office to Hashemi's office.

—At 5:51 p.m., an 8-minute call was made from Pottinger's office to Hashemi's office.[137]

Although circumstantial in nature, the weight of the evidence dictates the conclusion that Stanley Pottinger and Cyrus Hashemi made the calls described above, and that Cyrus was therefore in Wilton, Connecticut during the critical three-day period of July 26-28. Pottinger's testimony and related documentation provides strong evidence that he actually spoke with Hashemi on the dates referenced above. The evidence also strongly indicates that the calls made from Wilton were placed by Cyrus Hashemi.

Calls to John Shaheen. Cyrus had a business relationship with John Shaheen during this time period. Electronic surveillance of Cyrus's calls, which began in September 1980, shows numerous calls between Shaheen and Cyrus relating to business matters.[138] The surveillance records also demonstrate no calls to John Shaheen during the period of surveillance of Cyrus Hashemi's were initiated by Homa Hashemi.[139] Further, it is unlikely that anyone else telephoned Shaheen from the Wilton residence. Homa Hashemi, Cyrus's wife at the time, testified that, although she spoke to Shaheen when Shaheen called Cyrus at home, she never called Shaheen from the Wilton home, and would remember if she had.[140] Indeed, Mrs. Hashemi testified that she was not even aware that Shaheen maintained a home in Southampton in 1980.[141]

Calls to Stanley Pottinger. By late July 1980, Cyrus Hashemi and Stanley Pottinger had developed a close working relationship.[142] They had been working together on the hostage crisis since December 1979 and, as discussed above, had traveled to Spain together in early July 1980 to meet secretly with an official Iranian envoy. According to Mr. Pottinger's records, he and Cyrus Hashemi met in New York on July 24.[143]

At his deposition, Pottinger did not have a specific recollection of receiving calls at home from Cyrus Hashemi on the morning of July 26 or the night of July 27.[144] But he testified that it was not uncommon for Cyrus to call him at home both early in the morning and late in the evening.[145] In contrast, Mr. Pottinger did not recall ever receiving such calls at home from Homa Hashemi.[146] Mr. Pottinger's only specific recollection of speaking to Mrs. Hashemi on the telephone concerned an immigration matter, and he testified that he did not begin assisting her with this matter until late 1980 or the spring of 1981.[147]

Homa Hashemi testified that she did not recall phoning Pottinger from Wilton.[148] If she had called Pottinger, she testified, she would have called him at his office.[149] She emphatically rejected the possibility that she might have called Pottinger at home, saying "If I would have called him [at home], Cyrus would have killed me."[150] She further testified that she did not know where Pottinger resided in 1980 and did not know his home phone.[151]

The FBI's electronic surveillance of Cyrus Hashemi do not reveal any calls from Homa Hashemi to Stanley Pottinger's home. The surveillance records do show that Mrs. Hashemi called Pottinger's office in Washington, D.C. three times on September 30, 1980, but they indicate that these calls related to an immigration matter—thereby coinciding with Pottinger's single recollection of speaking to Mrs. Hashemi by telephone. Other than the calls on September 30, the surveillance contains no evidence of calls from Mrs. Hashemi to Pottinger's office.

Calls to Alanna Torres. Homa Hashemi testified that the calls to Alanna Torres "definitely" must have been placed by Cyrus.[152] Mrs. Hashemi testified that she had a business-like relationship with Torres in 1980, although they were on friendly terms and often spoke to each other when Mrs. Hashemi called Cyrus's office in New York.[153] But she did not recall ever calling Torres from the Wilton home, and she found the possibility of such a call inconceivable.[154] She also testified that neither her son or daughter, nor her housekeeper—the only other people living at the Wilton residence—would have called Torres.[155]

Alanna Torres testified that Cyrus Hashemi often called her at home, at "any time of day."[156] On these occasions, Cyrus would often give Torres instructions regarding the office, such as " 'Do this. Do that. Have this done by [nine] o'clock.' "[157] Torres also testified that

Homa Hashemi and her children never called her at home.[158] In addition, she testified that she did not have a good relationship with Jamshid Hashemi, and that Jamshid never called her at home. As she put it, "Cyrus was the only one who called me if for whatever reason." [159]

Calls to Numbers of Paul Skinner and Mrs. Dora Bahrami. As mentioned above, telephone company records also show that calls were made from Cyrus Hashemi's home on Saturday, July 26, to numbers subscribed to by Paul Skinner (in the late afternoon) and Mrs. Dora Bahrami (in the evening). Despite efforts by FBI agents to trace Mr. Skinner's whereabouts, the Task Force has been unable to locate him. The Task Force did locate Paul Bahrami, the husband of Dora Bahrami, who testified that he played poker with Cyrus Hashemi during the summer of 1980.[160]

It is unlikely that Homa Hashemi placed either of these calls. She testified that she had no knowledge of anyone by the name of "Paul Skinner," and that she had never heard the name "Bahrami" before.[161] She also said that the name "Bahrami" is an Iranian name, and that she would remember if she had had contact with someone by that name.[162]

(ii) William Casey

Prior to the Task Force's investigation, difficulty in establishing William Casey's whereabouts during the last week of July 1980 contributed to speculation that Casey attended meetings in Madrid during this period.[163] Belated discovery by the media of a trip that Casey made to London in late July added fuel to such speculation.[164]

The Task Force cannot account for every moment of Casey's schedule during this period. Nonetheless, the Task Force is satisfied that there is sufficient hard evidence to reach a conclusion regarding the allegations that Casey attended meetings in Madrid.

A Pre-Conference Rendezvous in Madrid? Credible testimonial and documentary evidence indicates that Casey was in California during the period of July 25–27, 1980. Darrell Trent, then a California-based policy advisor to the Reagan campaign, gave credible sworn testimony that Casey was his guest during the summer of 1980 at the Bohemian Grove, an all-male club retreat located on the Russian River about north of San Francisco.[165] Trent specifically recalled that he and Casey shared a cabin together in the "Parsonage Camp," one of many living subdivisions at the Bohemian Grove.[166]

Trent provided the Task Force with credible documentary records evidencing both Trent's and Casey's presence at the Bohemian Grove that summer.[167] These records show that Casey incurred charges at the 1980 Bohemian Grove for a two-day period, although they do not reflect the actual dates on which the charges were incurred.[168]

According to the records provided by Trent, the Bohemian Grove retreat in 1980 took place during the period of July 18 through August 3.[169] Trent was certain that he did not attend the first weekend of the Bohemian Grove (i.e., the weekend of July 18–20), either alone or with Casey.[170] He recalled that he attended the second and third weekends of the Bohemian Grove that summer (i.e., the last weekend in July and the first weekend in August), and records that he produced corroborated this testimony.[171] Trent was uncertain whether Casey was his guest during the second or third weekend of the Bohemian Grove.[172] But his best recollection was that he and Casey attended the retreat during the second, or "middle," weekend.[173]

Trent testified that the middle weekend at Bohemian Grove is the most popular weekend for members to bring guests.[174] The third and final weekend, in contrast, is usually "a quieter weekend." [175] Trent also recalled injuring himself during one of the Grove weekends in 1980, and expressed his belief that the injury occurred on the third weekend.[176] Explaining his recollection that Casey was his guest during the middle weekend, Trent stated "I certainly don't recall [the injury] being during the time that Mr. Casey was there . . . because I sat in the camp with my foot up in an ice pack, and I think I would have remembered if Casey had been my guest and I was sitting in the camp with my foot up in an ice pack.[177]

Finally, Trent testified that he had obtained information from Ben Smith, another camp member who attended the 1980 Bohemian Grove, "which caused me to think that [Casey] was there on the middle weekend." [178] Smith told Trent that he remembered seeing Casey, and that Smith had not attended the third weekend of activities.[179] As mentioned above,

Trent was certain that he had not attended the first weekend.

The Task Force subsequently contacted Bernard E. ("Ben") Smith, Jr. Smith gave credible sworn testimony—and provided the Task Force with corroborating documentary evidence—that he attended the 1980 encampment during the period of July 24-28.[180] Smith testified that he flew from New York to California on Thursday, July 24, arriving at Bohemian Grove late in the evening.[181] He flew back to New York on Monday, July 28.[182] Smith also testified that the period of July 24-28 was the only time in 1980 that he was at Bohemian Grove.[183]

Smith was certain that Trent was at the 1980 encampment, and that Casey was Trent's guest.[184] Smith estimated that he saw Casey at the Bohemian Grove at least "half a dozen" times during the 1980 encampment.[185] He recalled speaking to Casey while they were at the Bohemian Grove, although he could not remember the content of any specific conversations.[186]

Further evidence that Casey was at Bohemian Grove on the weekend of July 25-27 came from Warren Poole, who also attended the 1980 summer encampment. Poole testified that he has been a member of Parsonage Camp since 1973, and that he attended the 1980 Grove festivities on all three weekends.[187] Poole had an independent recollection of seeing Casey at the Grove during the summer of 1980 as a guest of Darrell Trent.[188] Although he had no documentation, his best recollection was that Casey was at the Grove during the middle weekend.[189] Poole also recalled that he and Trent were both present for the taking of a camp photograph, and testified that this photograph usually is taken on the middle weekend.[190] Poole's testimony was corroborated by McGowan, who told the Task Force that the 1980 summer camp photo in his possession has a sticker on the back bearing the date July 27, 1980.[191]

The Task Force also obtained testimony from Matthew McGowan regarding the 1980 Bohemian Grove encampment. McGowan recalled that he attended all three weekends during the summer of 1980, that Casey was at the Grove as Darrell Trent's guest, and that McGowan was introduced to Casey at the Grove.[192] McGowan also identified himself and Bernard Smith in a group photograph taken at Parsonage Camp on July 27, 1980, but he could not recall whether he saw Casey at Bohemian Grove during the weekend on which this photograph was taken.[193]

McGowan also provided the Task Force with a copy of pages from his calendar for July and August 1980.[194] These calendar pages show the following:

July 17: "Went to the Grove. Parsonage Camp dinner."[195]

July 18: "At the Grove. Alden Yates joined us as my guest."

July 19: "At the Grove. Alden Yates my guest."

July 20: "Returned home from the Grove."

July 25: "Went to the Grove. Alden Yates my guest."

July 26: No calendar entry.

July 27: No calendar entry.

July 31: "Went to the Grove. Yates *not* a guest."

August 1: "At the Grove."

August 2: "At the Grove."

August 3: "1980 Bohemian Grove Encampment closed this date. A very good encampment for me. We had Bill Casey, Gov. Reagan's campaign mgr. as our guest this last weekend."

On its face, McGowan's calendar entry for August 3, 1980, indicates that Casey was at the Bohemian Grove on that date. In weighing this entry against other evidence, however, the Task Force has concluded that it was much more likely that Casey attended the Bohemian Grove on the weekend of July 25-27, and that he was not there on the weekend of August 1-3. McGowan told the Task Force that the date on which a certain entry appears in his calendar does not necessarily correspond to the actual date of the event for which the entry was made.[196] In this regard, he did not rule out the possibility that the reference to "last weekend" in the calendar entry for August 3 actually pertains to the middle weekend of July 25-27.[197]

In contrast, Bernard Smith provided credible testimonial and documentary evidence that he attended only one weekend at the 1980 Bohemian Grove—the middle weekend—and that he saw Casey on several occasions during that weekend. Darrell Trent testified that Casey was his guest on only one of the three weekends. Warren Poole had a specific recollection that Casey was at the Grove on the middle weekend, and testified that a camp photograph in

which Bernard Smith appears probably was taken on the middle weekend. Given the nature and quality of this evidence, and McGowan's testimony regarding the potential inaccuracy of his calendar entry for August 3, the Task Force believes that the great weight of evidence places Casey at the Bohemian Grove on the weekend of July 25–27, 1980.

In any event, the Task Force has determined that Casey almost certainly could not have traveled to Madrid on the weekend of August 1–3, 1980. Credible testimonial and documentary evidence establishes that Casey was in Los Angeles on Friday, August 1, attending a meeting of Reagan's domestic policy advisors and senior campaign staff.[198] The evidence also suggests that Casey was home in Long Island, New York on Saturday, August 2. Richard Allen's notes for that day contain Casey's name and phone number in Long Island among notes relating to other telephone calls that day.[199] At his deposition, Allen interpreted this note to mean that he had initiated a call to Casey in Long Island on August 2.[200] Another document from Allen's personal records contains a handwritten notation suggesting that Allen spoke to Casey in the late afternoon.[201]

The possibility that Casey met with Iranians on the weekend of August 1–3 is further obviated by evidence regarding Cyrus Hashemi's whereabouts during the first week in August 1980. According to Stanley Pottinger's telephone records and time sheets, Pottinger called Hashemi on Friday, August 1, at his New York office from London, where Pottinger among other things, was trying to secure crude oil supply contracts for Hashemi.[202] According to an entry in two of John Shaheen's calendars for 1980, Hashemi also apparently had lunch on August 1 with John Shaheen in New York.[203] On Saturday, August 2, a one-minute call was made at 2:11 p.m. from Hashemi's home in Wilton, Connecticut to the home of his secretary, Alanna Torres.[204] On the same day, Stanley Pottinger, then in Geneva, Switzerland, made a 15 minute plane call to Cyrus Hashemi's home in Wilton, Connecticut. On Sunday, August 3, Cyrus made a telephone call the residence of an Iranian living in the United States who was under electronic surveillance for possible terrorist activity. During this call, Cyrus told the individual that he was calling from St. Louis, Missouri. For the reasons stated above, the Task Force believes that the calls to Torres were made by Cyrus Hashemi.

Although the Task Force has concluded that Casey attended the middle weekend of the 1980 Bohemian Grove, the date on which Casey arrived at the Grove is uncertain. Trent recalled walking into Casey's campaign office in the Century City section of Los Angeles, picking up Casey, and flying with Casey to San Francisco. He did not recall precisely when he went to Casey's office in Los Angeles, but he said that it is "customary" to leave Los Angeles for San Francisco at "about noon" in order to "beat the traffic" in driving out to the Bohemian Grove.[205] Trent did have a specific recollection of driving with Casey from San Francisco to the Bohemian Grove.[206]

Trent was not certain whether he picked up Casey in Los Angeles on Thursday, July 24, or Friday, July 25.[207] He acknowledged that charges on his bill for Thursday, July 24 "would seem to indicate" that he was at the Bohemian Grove on that day.[208] He stated, however, that "it would probably make more sense for me to have come up on Friday from Los Angeles than on Thursday. . . ."[209] He also suggested that the Bohemian Grove's records might be incorrect.[210]

Other evidence regarding Casey's whereabouts, however, militates against the possibility that Casey and Trent arrived at the Bohemian Grove on Thursday, July 24. On that day, Casey was photographed accepting a campaign check for $24.9 million from the Federal Election Commission in Washington, D.C.[211] In addition, an invoice from the Metropolitan Club in Washington, D.C., where Casey was a member, shows a charge for July 24 for the use of a telephone.[212]

On Friday, July 25, Casey apparently flew on the Eastern Airline shuttle between Washington, D.C. and New York.[213] A signed receipt for a shuttle ticket bearing this date was found among Casey's personal records at his home in McLean, Virginia.[214] The receipt does not indicate whether Casey was flying to New York or to Washington. Nor is it clear what time of day Casey made this flight.[215]

The Task Force obtained credible testimonial evidence regarding Casey's departure from Bohemian Grove. Darrell Trent testified that he drove Casey on a Sunday afternoon from the

Grove to the airport in San Francisco.[216] Trent specifically recalled stopping to have lunch with Casey on the way back to San Francisco.[217] Trent further recalled that Casey was flying from San Francisco to London, although he could not explain the basis for that recollection.[218]

The London Conference. The Task Force obtained voluminous credible testimonial and documentary evidence regarding Casey's attendance at the 1980 Anglo-American Conference on the History of the Second World War, which took place between July 28–31, 1980. When viewed as a whole, this evidence makes it practically impossible for Casey to have attended meetings in Madrid during his stay abroad.

As a preliminary matter, there is substantial evidence—both documentary and testimonial—that Casey's attendance at the London conference was not a pretext for going to Madrid. As early as January 11, 1979—ten months before Ronald Reagan formally declared his candidacy for the presidency—Professor Arthur Funk, Chairman of the American Committee on the History of the Second World War, wrote to Casey and invited him to present a paper at the conference.[219] In a March letter, Funk stated that he already had the "tentative acceptance" of nine people to present papers at the conference, including Casey.[220] Richard Wirthlin, a senior official in the Reagan presidential campaign, testified that he was aware of Casey's plans to attend the London conference "early in the campaign cycle." [221]

As the date for the conference drew closer, the Imperial War Museum received word about Casey's expected arrival date. On July 16, 1980, Professor Arthur Funk telephoned Jonathan Chadwick at the Museum to inform Chadwick that Casey would arrive on July 29, 1980.[222] It had been decided earlier that Casey would likely stay at the Royal Army Medical College, where a number of the attendees and speakers at the conference would be staying.[223]

For administrative purposes, Chadwick prepared two charts for the conference. The first chart was a detailed list of speakers and attendees which graphed the scheduled events during the four-day conference and noted which attendees were expected at what events.[224] The second was an accommodation chart noting the expected accommodations for the speakers at the conference. The purpose of the first chart was essentially to note who would be attending which event—a concern brought on both by the capacity of the room in which the conference was to be held as well as a desire on the part of the organizers to pay for no more meals than were expected to be consumed.[225] Chadwick told the Task Force that throughout the pre-conference preparation period, he made notations on this chart regarding his expectations of when various individuals would attend the conference.[226] Chadwick explained that he put a penciled check in the appropriate box on the chart to indicate the expected attendance of a given conferee at a particular event. Conversely, he put an "X" on the chart when the individual was not expected to attend a particular session.[227] If a change in what was expected took place, an ink check or "X" would be put in the appropriate box. Since there were sixty-seven names and some fifteen events, the chart had over a thousand boxes.[228]

Certain details of Casey's travel from the United States to England remain unclear. As discussed above, Darrell Trent testified that he took Casey to the airport in San Francisco on the afternoon he believed of Sunday, July 27.[229] Trent also recalled that Casey was flying to London that day.[230] The Task Force has been unable to establish Casey's flight itinerary to London, or precisely when Casey arrived in England.[231] It has learned, however, that there was a British Airways flight scheduled to depart San Francisco International Airport on Sunday, July 27, at 6:00 p.m. (California time), and to arrive at Heathrow Airport at noon, London time.[232]

The opening session of the conference took place between 9:30–11:00 a.m. on Monday, July 28.[233] This session was followed by a coffee break between 11:00–11:30 a.m., a session on China between 11:30 a.m. and 1:00 p.m., lunch between 1:00–2:30 p.m., and a final session on Russia between 2:30–4:00 p.m. Tea was served between 4:00–4:30 p.m., and at 6:15 there was a formal reception at the Imperial War Museum hosted by the Trustees of the Imperial War Museum and the British National Committee.

The Task Force has concluded that Casey did not attend the morning sessions on the first day of the conference, and that he probably did not appear at the conference until late in the

afternoon. Although the official attendance chart for the conference shows Casey present at these sessions (as well as at lunch), the Task Force has determined that the chart contains inaccuracies regarding the attendance of both Casey and other conference participants, thereby diminishing its reliability as an accurate record of the proceedings.[234]

The final attendance chart, which Chadwick maintained and revised throughout the conference, shows Casey present at all of the events for July 28.[235] Chadwick explained that since Casey was not expected until July 29, he initially penciled in "X's" for Casey through the first three sessions and lunch on July 28. The final version of the chart, however, reflects an ink checkmark for the three sessions and lunch on July 28. According to Chadwick, the superseding ink checkmarks indicate that Casey arrived unexpectedly for the opening session on July 28.[236] Chadwick's chart, however, shows that for the afternoon session on Russia, a penciled "X" is covered by what appears to be an ink checkmark, which has a diagonal ink line through it making it appear to be an "X".[237] To add to the confusion, the box concerning Casey's attendance at the afternoon session contains the handwritten annotation "came at 4:00 p.m." [238] Chadwick identified the handwritten annotation as his own handwriting and, based on the chart, testified that Casey must have come into the conference room toward the end of the session on Russia.[239] Chadwick also explained that when the afternoon session began, he saw that Casey was not present and converted the ink check into an "X" by drawing a diagonal line through it.[240] He further testified that when he noticed Casey came into the room later, he added the annotation about Casey's arrival at 4:00 p.m.[241] Credible sworn testimony supports the proposition that Casey was absent from the morning sessions on July 28 and refutes the checkmarks on Chadwick's chart to the contrary. Robert Dallek, an American professor who presented a paper on China between 11:30 a.m. and 1:00 p.m., gave credible testimony that Casey was not in attendance during Dallek's presentation.[242] Dallek recalled that he was eager to "strut my stuff" in front of Casey, that he looked around the conference room for Casey, and that Casey never appeared during Dallek's presentation.[243] Dallek also recalled a statement made at the conference proceedings on Monday that Casey had been delayed by business, although he could not recall who made the statement, whether the statement was made in the morning or afternoon, or whether the statement was in the form of a formal announcement.[244]

Sir James Murray, one of the British participants at the conference, testified that he was introduced to Casey on Monday, July 28, by Sir William Deakin, the British co-chairman of the conference.[245] He was certain that the introduction took place "in the course of proceedings" that day and that the introduction was made in the conference room.[246] He recalled that the introduction "wasn't in the morning," but he could not remember precisely when it occurred.[247]

There is also credible testimonial and documentary evidence that Casey attended the formal reception at 6:15 p.m. At least five people testified that they saw Casey at this reception: Professor Robert Dallek, Professor Jones, Jonathan Chadwick, Sir James Murray, and Professor Donald Watt.[248] Three of these individuals—Dallek, Jones, and Murray—specifically recalled talking with Casey during the reception.[249]

After the reception, Professor Reginald Jones took Casey, Arthur Funk, and Harold Deutsch to dinner as his guests at the Caledonian Club in London.[250] As Jones recalled the evening, the group did not arrive at the club until 8:30 p.m.[251] After dinner, Jones put the group in a taxi, and he walked back to his hotel.[252]

The Task Force also has obtained an invoice relating to Casey's activities in London on July 28.[253] The invoice, which is dated August 27, 1980, is addressed to Casey from Hatchard's, a book store located in the Piccadilly section of London, and it shows that Casey purchased four books on July 28.[254] The Task Force has concluded that Casey most likely went to Hatchard's between the time he checked into the Royal Army Medical College and his late afternoon appearance at the conference. There is no evidence that Casey left the Imperial War Museum between the time of his arrival in late afternoon and his departure for dinner with Professor Jones, and Jones' testimony indicates that he and Casey did not finish dinner until late in the evening.[255]

In light of the substantial evidence regarding Casey's whereabouts on July 28, the Task Force believes that it can explain how and when Casey arrived in England. The Task Force believes that Casey most probably took the British Airways flight that departed San Francisco on July 27 at 6:00 p.m. As mentioned above, this flight was due to arrive at Heathrow at noon, London time. Assuming that the flight was on time, and that it takes approximately one hour to one and one-half hours between landing and arrival by ground transportation in London, Casey probably arrived at the Royal Army Medical College by approximately 1:00, or 1:30 p.m. After checking into the College, Casey probably washed up from his trip and rested. By around 2:30, Casey probably went to Hatchard's—a taxi ride estimated to be between twenty and thirty minutes.[256] By the time he arrived at Hatchard's, it was probably close to 3:00 p.m. By the time Casey selected and purchased his books, it was probably time to leave for the Imperial War Museum, where he was first spotted at about 4:00 p.m.

What is known for sure is that the following morning (i.e., Tuesday, July 29), Robert Dallek had an early breakfast with Casey in the "commons room" at the Royal Army Medical College.[257] Dallek gave credible testimony that he was the only person having breakfast in the commons room when Casey walked in and sat down at Dallek's table.[258] He specifically recalled telling Casey a joke and discussing Ronald Reagan's acceptance speech at the Republican convention.[259] After breakfast, according to Dallek's testimony, he and Casey went to the Imperial War Museum to attend that morning's conference proceedings.[260]

According to the conference schedule, Casey delivered his paper between 9:30–11:00 a.m. Dallek specifically recalled attending Casey's presentation, as did Chadwick.[261] The Task Force was unable to confirm whether Casey attended the next session of the conference, which took place between 11:30 a.m.–1:00 p.m., but the attendance chart maintained by Chadwick shows Casey present at this session.[262]

In any event, there is credible testimonial and documentary evidence that Casey attended lunch at the Imperial War Museum, which began at 1:00 p.m. Sir James Murray specifically recalled having lunch with Casey, and his diary contains an entry showing that he had lunch with Casey at 1:00 p.m. on July 29, 1980.[263] Murray also recalled that, during lunch, he and Casey discussed Casey's presentation from earlier that morning, and whether Casey had known some of Murray's war-time colleagues from British intelligence.[264]

Following lunch, an afternoon session began at 2:30 p.m. pertaining to "the Italian Campaign." Chadwick's attendance chart shows Casey present at this session.[265] The Task Force, however, was unable to obtain any evidence to corroborate the entry on Chadwick's chart. Chadwick had no independent recollection of seeing Casey either at the afternoon session or the session between 11:30–1:00.[266] Murray, for his part, did not recall if Casey returned to the conference after lunch.[267]

The Task Force has concluded that Casey left London some time during the afternoon or evening of July 29. British Airways Concorde flights were scheduled to leave Heathrow Airport for Washington, D.C. at 6:30 p.m., arriving in Washington at 5:55 p.m.[268] Other British Air flights were scheduled to depart Heathrow at 3:00 p.m., arriving in New York at 5:35 p.m.; and at 6:15 p.m., arriving in New York at 9:05 p.m.

Chadwick's attendance chart shows Casey to be absent at all conference events on July 29–30, and none of the conference participants that the Task Force interviewed recalled seeing Casey on July 30.[269] Moreover, there is credible documentary evidence that Casey was back in the United States on July 30. Casey's calendar for July 30, 1980, contains the following entry for 6:45 p.m.: "Dinner—George Bush—Alibi Club."[270] Casey also was interviewed at Reagan campaign headquarters on July 30 by ABC News correspondent Barry Serafin.[271]

A Return to Madrid? As discussed above, Jamshid Hashemi has alleged that William Casey returned to Madrid in August 1980 for a second round of meetings with Mehdi Karrubi, Hassan Karrubi, Jamshid, and Cyrus Hashemi.[272] Jamshid's testimony regarding when the second round of meetings occurred, however, is contradictory. At his deposition, Jamshid initially testified that 14–17 days elapsed between the first and second rounds of meetings in Madrid.[273] Under this scenario, the second Madrid meetings would have begun on or

about August 15, and would have continued until about August 17.[274] Later, Jamshid testified that the dates shown in the records from the Plaza Hotel correspond to when the meetings in Madrid occurred.[275] According to this testimony, the most likely period for the second set of meetings would be between August 8—when "Ali Balanian" (Jamshid's alias) checked into the Plaza Hotel—and August 13, when "Ali Balanian" checked out.

The Task Force could not resolve this inconsistency in Jamshid's testimony. Consequently, the Task Force took the most liberal approach possible and treated the period of August 8-August 17 as the operative "window" of time for assessing Jamshid's allegations that a second round of meetings occurred.

The Task Force has found substantial credible evidence regarding Casey's whereabouts during this time period.[276]

—On August 7, when Casey probably would have departed the United States for a meeting on August 8, Casey went to the Romeo Salta restaurant in New York.[277] Casey's appointment calendar for that day also shows an entry at 9:30 a.m. captioned "Debate Strategy Meeting" and an appointment at 1:00 with his dentist in New York, Dr. Grayson.[278]

—On August 8, Casey was scheduled for an 8:15 a.m. appointment with Dr. Grayson, a 1:00 appointment with Pete Dailey, and dinner with Eugene McCarthy.[279] The Task Force also located a receipt for the Creek Club, an exclusive country club in Long Island to which Casey belonged, which shows charges on this date for food.[280]

—The Task Force was unable to obtain information regarding Casey's schedule for August 9.

—On August 10, Casey was in Chicago, Illinois for the first day of a three-day national conference of Republican State Chairman. Frank Fahrenkopf and Frederick K. Biebel, who also attended the conference, each gave sworn testimony that they recalled driving with Casey from O'Hare Airport to the conference on the first day of the conference.[281] Both men also testified that Casey was present for all three days of the conference.

—On August 11, the first day of the Democratic National Convention, Casey's calendars indicate that he was scheduled to meet with Republican State chairmen.[282] Credible testimony from Frank Fahrenkopf and Frederick K. Biebel indicate that Casey was in Chicago attending the second day of the national conference of Republican State Chairman.[283]

—According to credible testimony from Fahrenkopf and Biebel, Casey returned to Washington, D.C. from the national conference of Republican State Chairman at some point on August 12, where the conference concluded. Both Fahrenkopf and Biebel recalled driving to O'Hare Airport with Casey (as well as with each other) for the return trip to Washington.[284]

—Thomas Casey (no relation), who worked as Casey's personal driver during the summer of 1980, gave credible testimony that he took Casey to a restaurant in Washington, D.C. on the night of August 12, where Casey watched a speech by Senator Edward Kennedy to the Democratic National Convention.[285] Casey vividly recalled listening to Kennedy's speech in the car while he waited for Casey and his wife to finish dinner inside the restaurant.[286]

—Casey's calendars for August 13 include appointments at 3:00 p.m. with Bob Gormley, at 5:00 p.m. with "Pete Dailey et al," and at 7:00 p.m. with "Gant."[287]

—On August 14—his putative first day back from the alleged meetings in Madrid—Casey appeared on an ABC television program, where he was interviewed by Barbara Walters.[288] His calendars for his date show a 7:00 a.m. staff meeting, an 11:30 a.m. meeting with Drew Lewis, a 3:00 p.m. meeting with Charlie Peckham, and dinner at 8:15 p.m. at Sans Souci, a restaurant in Washington, D.C. The Task Force has also obtained an American Express receipt signed by Casey for a meal on this date at Sans Souci.[289]

—On August 15, Casey's calendars show a meeting between 9:30-11:30 a.m. with Peter White.[290]

—The Task Force was unable to obtain information regarding Casey's schedule for the weekend of August 16–17.

In sum, with the exception of August 9 and the weekend of August 16–17, the Task Force has obtained credible documentary and testimonial evidence which practically eliminates the possibility that Casey attended a second set of meetings in Spain in August 1980. The Task Force has seen no evidence that Casey was outside of the United States on Saturday, August 9 or the weekend of August 16–17.[291]

With the assistance of Stanley Pottinger's records, the Task Force has been able to establish much of the whereabouts of the other central character in the Madrid allegation, Cyrus Hashemi, during the period of August 8–17, 1980.

—On August 8, a 5-minute call was placed at 8:15 a.m. to Cyrus Hashemi's home in Wilton from LaGuardia Airport in New York on Stanley Pottinger's credit card.[292] At 3:57 p.m., a 5-minute call was made from Pottinger's office in Washington, D.C. to Hashemi's office in New York. Pottinger's time sheet for this day indicate that he participated in telephone conferences concerning a libel lawsuit filed by Cyrus Hashemi.[293]

—On August 10, Pottinger called Cyrus Hashemi at 10:20 a.m. for 2 minutes at his home in Wilton from Bayshore, New York.[294] At 10:51 a.m., another 2-minute call was placed to Hashemi's home from Bayshore.[295]

—On August 11, Cyrus Hashemi met with Stanley Pottinger at JFK Airport in New York prior to Hashemi's departure for London.[296] Later that day, Pottinger sent a telex to Hashemi at the Dorchester Hotel in London regarding negotiations to purchase Iranian crude oil.[297]

—According to Stanley Pottinger's time sheets, Pottinger made several calls to Cyrus Hashemi in London on August 12.[298]

—Pottinger's time sheets for August 13 do not make it clear whether he spoke with Cyrus Hashemi on this date, although they do establish that Pottinger participated in telephone conferences relating to Hashemi.[299]

—Pottinger's telephone records and time sheets for August 14 establish that he called Cyrus Hashemi in London for 4 minutes at 3:00 p.m. from Pottinger's office in Washington, D.C.[300] They also establish that Pottinger called Cyrus again at 3:25 p.m. for 21 minutes.[301]

—A note in one of Pottinger's files, combined with telephone records, establish that on August 15, Pottinger called Cyrus Hashemi at his office at 12:21 p.m. from Pottinger's home in Bethesda, Maryland.[302]

—The Task Force was unable to establish Cyrus Hashemi's whereabouts on August 16–17, 1980.[303]

(iii) Donald Gregg

Jamshid Hashemi has alleged that Donald Gregg accompanied William Casey to meetings in Madrid in July and August 1980. Credible documentary and testimonial evidence refutes this allegation. The Task Force deposed Donald Gregg and his wife Margaret Gregg. Donald Gregg provided the Task Force with a copy of his calendar for July 1980.[304] In addition, Mrs. Gregg provided the Task Force with a copy of her diary for July 1980.[305]

Referring to her diary, Mrs. Gregg testified that her sister and brother-in-law, who reside in Williamsport, Pennsylvania, visited she and Donald Gregg on Friday, July 25.[306] Mrs. Gregg testified that the four of them attended a birthday party on that day in Chevy Chase.[307] Mrs. Gregg also testified that on Saturday, July 26, Donald Gregg and the rest of the family traveled to a locale in the Virginia countryside, where they spent the day.[308] An entry concerning the trip to Virginia on July 26 is reflected on the calendars of both Donald and Margaret Gregg.[309]

On Sunday, July 27, Mrs. Gregg's diary shows the family having brunch with Mrs. Gregg's sister and brother-in-law.[310] Mrs. Gregg did not have a specific recollection that Donald Gregg was home on that day, but she testified that it was her practice to note in her diary when Mr. Gregg was out of town.[311]

Donald Gregg, referring to his calendar, testified that he traveled to the Special Training

Center (also known as Camp Perry) near Williamsburg, Virginia on Monday, July 28, departing by airplane from National Airport in Washington, D.C. at 8:30 a.m.[312] Gregg recalled that he went to Camp Perry to give a lecture to a training class on the use of intelligence by senior government officials.[313]

In addition, Gregg gave credible sworn testimony that he has never met Cyrus or Jamshid Hashemi, and Mrs. Gregg testified that her husband has never mentioned the names of Cyrus or Jamshid Hashemi to her.[314] Mr. Gregg also testified that he did not meet William Casey until January 1981.[315]

The circumstances of Gregg's position makes it further implausible that he could have attended meetings in Madrid. As mentioned previously, Gregg was a senior staffperson on the National Security Council during the summer of 1980, responsible for intelligence matters and Asian affairs.[316] He had no oversight responsibility regarding the hostage issue.[317] Nor was Gregg included in the official distribution of information on the hostage matter.[318]

When Gregg joined the staff of the NSC in 1979, he took the place of Samuel Hoskinson, who left to join the presidential campaign of John Connally.[319] Hoskinson, who is now Vice Chairman of the National Intelligence Council, testified regarding the administrative procedures in place when Zbigniew Brzezinski headed the NSC. According to Hoskinson, the NSC was a relatively small staff run by Zbigniew Brzezinski who ran a pretty tight ship. You didn't do anything without checking with him. You presented him every night a written report on your activities that you conducted during the day and things you planned to do the next day. As a senior staffer there, it is not conceivable that you would be able to kind of sneak away. It would have to be approved by the National Security Advisor personally. . . . The only way you could leave would be at his direction.[320]

Hoskinson surmised that Gregg "would have been fired, at a minimum," if it had been discovered that he had traveled to Madrid without the authorization of Brzezinski.[321]

(iv) Mehdi and Hassan Karrubi

The Task Force is unaware of any credible evidence to support Jamshid Hashemi's allegation that Mehdi and Hassan Karrubi traveled to Madrid during the summer of 1980. George Cave, an expert on Iranian affairs at the CIA during the period of the hostage crisis, testified that it was his recollection that Mehdi Karrubi did not travel outside Iran for the first time until at least 1982, when, according to Cave's recollection, Karrubi traveled to Lebanon to establish a Martyrs Foundation there.[322] Karrubi himself has denied the allegations that he participated in meetings in Madrid in 1980. In an interview in Iran with reporters Robert Parry and Robert Ross in early 1992, Karrubi stated that allegations of his involvement in any October Surprise-related meetings in Europe are "a total lie. The amusing part is that I have never been to France or Spain. . . I have no knowledge of such a thing. I vehemently deny it, and I am certain it isn't true. There is absolutely no proof in this, except a completely fabricated rumor which appears to be linked to American domestic politics. What difference would it make to us Iranians whether Carter or Reagan was in power? Firstly, I have no knowledge of it, and secondly, I deny everything." [323]

The Task Force did not obtain any testimonial or documentary evidence to refute Karrubi's denial. It did obtain circumstantial evidence, however, that Karrubi did not travel outside of Iran during the period of the alleged meetings in Madrid. The Foreign Broadcast Information Service ("FBIS"), which monitors Iranian radio broadcasts for the U.S. Government, did not report any travel outside of Iran by Mehdi Karrubi during the period of July 22 through August 13, 1980.[324] In contrast, the official Iranian media did report that Karrubi headed an Iranian parliamentary delegation to Lebanon and Syria in May 1985.[325]

Admiral Ahmed Madani provided the Task Force with information regarding Hassan Karrubi's activities in 1980. Madani testified that he met with Hassan Karrubi in Hamburg, West Germany, in approximately October 1980.[326] He also testified that Hassan Karrubi's visit had been arranged by Jamshid Hashemi, who brought Hassan to see Madani.[327] At that time, according to Madani, Hassan Karrubi was principally engaged in business activities (possibly including arms dealing), and "was not engaged in politics." [328] At no time during Madani's discussions with Hassan Karrubi did Hassan indicate that he or Mehdi Karrubi had met with

William Casey in Madrid during the prior July or August.[329]

The Task Force obtained differing views on whether Mehdi Karrubi would likely have been assigned by Khomeini the task of a meeting with a representative of the Republican Party in 1980. According to Sadegh Tabatabai, who was related by marriage to Khomeini and was a senior Iranian official at the time, Karrubi was well known in Iran as president of the Martyr's Foundation, which was "one of the most famous Iranian revolutionary institutions . . ." [330] Karrubi was also a member of the Majlis (i.e., the Iranian parliament).

Because of Karrubi's public prominence, Tabatabai testified, it would have been difficult for Karrubi to travel outside of Iran to attend the alleged meetings in Madrid without attracting attention within Iranian political circles.[331] Indeed, Tabatabai stated that "I feel it would have been virtually impossible for Mehdi Karrubi to have done this, to participate in these meetings because of his office." [332] He added that "I would have had to learn of it, at least later." Tabatabai testified that he did not learn of the allegations relating to meetings between Karrubi and Casey until he read about these allegations years later in the press.[333]

Another view regarding the possibility of Mehdi Karrubi's involvement in the alleged Madrid meetings was obtained from Hamid Naghashian. Naghashian testified that he provided security for Ayatollah Khomeini in 1980 and also performed logistics work for the Revolutionary Guards.[334] After Iraq's invasion of Iran in September 1980, Naghashian became Vice Minister of the Revolutionary Guards in charge of providing equipment and training for the volunteer army of Iran.[335]

Naghashian testified that he has known Mehdi Karrubi since prior to the Iranian revolution, and that he knows him well.[336] Referring to the Madrid allegations, Naghashian told the Task Force that Khomeini never would have sent Karrubi to undertake a complex diplomatic assignment such as meeting clandestinely with William Casey.[337] He explained that Karrubi simply did not have the intellect for such an assignment, and that it would have been far more likely for Khomeini to send someone like Sadegh Tabatabai.[338] Naghashian added that Karrubi's position in charge of the Martyrs Foundation evidenced his limited abilities, explaining that this position required a strong religious commitment rather than intellectual acumen.[339]

Hushang Aryanpour offered yet another perspective on Mehdi Karrubi. According to Aryanpour, Karrubi was "a powerful man . . . a very close, reliable friend to . . . Ayatollah Khomeini." [340] In Aryanpour's view, Khomeini would have entrusted a sensitive political mission to Karrubi.[341]

In contrast, Aryanpour testified that Mehdi Karrubi's brother Hassan was "nobody . . . [j]ust a simple mullah who was a second, maybe a third-class priest at one of these mosques . . . He was the lowest possible rank among the religious people." [342] Moreover, Aryanpour noted, Hassan Karrubi in 1980 was "just a young 25, 27 years old. Nobody." [343] Aryanpour added that "after the revolution, where [Mehdi] came up as . . . one of the members of the revolutionary council, [Hassan] became powerful . . ." [344] Regarding the allegations that both Mehdi and Hassan Karrubi attended meetings in Madrid with Casey, however, Aryanpour testified that there is "no way" that Khomeini would have entrusted Hassan Karrubi with such an assignment.[345]

b. Prosecution of the Hashemi Brothers

Another basis for discounting Jamshid Hashemi's allegations relates to the conduct of Jamshid and Cyrus Hashemi during their prosecution for illegal arms exports during the period of 1984–1985. At numerous junctures during the investigation into their exports of military equipment, and following their indictments in 1984, Cyrus and Jamshid had opportunities to offer information to federal prosecutors concerning alleged contacts between the 1980 Reagan campaign and the Iranian government in exchange for the government's agreement not to indict or, later, to drop charges against them.[346] Both brothers, through their attorneys, tried to persuade prosecutors to drop charges, and Cyrus's attorneys at one time issued a veiled threat to disclose information concerning CIA assistance to Admiral Madani if his prosecution went forward.[347] Jamshid, for his part, also wrote a letter to a senior State Department official in which he pointed to prior assistance that he rendered to the U.S. Government.[348]

Both brothers eventually cooperated with U.S. Customs in a sting operation as part of a deal to have their charges dropped. At no time, however, did either brother mention anything to U.S. Government officials regarding contact in 1980 between the Reagan campaign and the Iranian government.[349]

Testimony by attorneys who represented Cyrus Hashemi in connection with his prosecution is also probative as to whether the alleged contacts between the Reagan campaign and Iranian officials took place. William Wachtel, a New York attorney who served as Cyrus Hashemi's principal criminal defense counsel from November 1981 until his death in July 1986, told the Task Force that he has no knowledge of any contact between Hashemi and William Casey.[350] Wachtel also testified that, after being indicted in May 1984, Hashemi was desperate to have charges against him dropped so that he could safely return to the United States.[351] In this regard, Wachtel surmised that if Cyrus Hashemi had possessed information which he could have used to blackmail the U.S. Government into dropping its prosecution of him, he would neither have withheld such information from his attorneys nor refrained from using this information to his advantage.[352]

Former U.S. Attorney General Elliot Richardson was retained by William Wachtel to assist Wachtel in representing Cyrus Hashemi following a search of Hashemi's New York office in November 1981.[353] Richardson testified that Cyrus asked him to contact John Shaheen, a mutual friend of Casey and Cyrus,[354] and ask Shaheen to use his contacts with Casey on behalf of Cyrus.[355] On a parallel track, Richardson contacted Casey (and other U.S. Government officials) directly.[356]

Richardson testified that he has no knowledge of any meetings in Madrid in the summer of 1980 involving Casey and Iranian officials.[357] Indeed, at no time did Cyrus indicate to Richardson that Cyrus had prior contact with Casey.[358] Conversely, at no time did Casey, in his conversations with Richardson, indicate that he had prior contact with Cyrus.[359] Further, Cyrus never suggested to Richardson that Richardson tell U.S. Government officials with whom he was in contact that going forward with Cyrus's prosecution might result in the disclosure of embarrassing or sensitive information.[360] Nor did Cyrus ever indicate to Richardson that he should convey the notion to Casey that Cyrus possessed information about Casey that Casey should consider in responding to Cyrus Hashemi's request for leniency.[361]

c. Actual Testimony of Individuals Said To Corroborate Jamshid Hashemi

Of the five individuals who reportedly[362] provided independent confirmation of Jamshid Hashemi's account of the Madrid meetings prior to the Task Force's investigation, three (Ahmed Madani, Arif Durrani, and Heinrich Rupp) testified under oath that they have no knowledge of such meetings. For the reasons set forth below, the Task Force determined that the other two individuals (Richard Babayan and Ari Ben-Menashe) are not credible witnesses.

(i) Ahmed Madani

Ahmed Madani disavows any knowledge of the Madrid meetings, as illustrated by the following excerpt from his deposition:

> COUNSEL: Do you have any specific knowledge of meetings in Spain in 1980 between the Hashemi brothers, William Casey, and the Karrubi brothers?
>
> MADANI: I heard about that in the [Sick] book. I personally have no knowledge at all.
>
> COUNSEL: Prior to reading the book, had you ever heard about such meetings?
>
> MADANI: Not at all. No.
>
> COUNSEL: Did Cyrus ever tell you that such meetings had taken place?
>
> MADANI: Never.
>
> COUNSEL: Did Jamshid ever tell you that such meetings had taken place?
>
> MADANI: Never.
>
> * * * * *
>
> COUNSEL: Prior to reading the book, had you, Admiral Madani, ever indicated or told anyone else that meetings between the Karrubis and

the Hashemis and William Casey took place in Madrid in 1980?

MADANI: No.

* * * * *

COUNSEL: During the course of your discussions with Hassan Karrubi [in Germany in late 1980], did he ever mention to you at all that his brother or he had met with William Casey in Madrid in July and August of 1980?

MADANI: No.

COUNSEL: It never came up?

MADANI: No.

COUNSEL: He never mentioned it?

MADANI: No. I never had heard that until it appeared in the press and it appeared in the book. I never heard about that at all. [363]

Further, Madani denied under oath that he told Gary Sick that he had knowledge about the alleged meetings in Madrid:

COUNSEL: During your conversation with [Gary Sick] prior to the publication of the book, did you ever tell him that you had knowledge of meetings in Madrid as alleged by Jamshid Hashemi?

MADANI: My answer was, that was a question of 50/50 . . . I couldn't deny, I couldn't accept.

COUNSEL: Did you tell him that you were aware that such meetings had taken place?

MADANI: No.

COUNSEL: Would such a statement be false?

MADANI: That's false.[364]

(ii) Arif Durrani

Unlike Madani, Arif Durrani was publicly on record as alleging that he had knowledge about meetings in Madrid. As discussed above, Durrani previously had claimed to have learned from Iranian military officials about meetings in Spain between William Casey and Mehdi Karrubi.[365] He recanted this position at his deposition.

Durrani testified that three Iranians associated with the Revolutionary Guard told him about meetings between Cyrus Hashemi and *Iranian* officials in Madrid in the summer of 1980: Mohsen Rafiq Dost, Mohsen Rezai, and Rahim Malekzadeh.[366] According to Durrani's three sources, Cyrus proposed a deal at these meetings whereby the United States would return to Iran its frozen financial assets as well as military equipment that the Shah's government had purchased.[367] But none of these three officials has ever told Durrani that he was present at any of these meetings with Cyrus in Madrid, and none of them ever told Durrani the identity of any Iranians present at the meetings with Cyrus.[368] Moreover, none of the three Iranians ever told Durrani that (1) Cyrus Hashemi met in Madrid in 1980 with William Casey or Mehdi Karrubi; (2) that Casey and Karrubi met in Madrid in the summer of 1980; or (3) that Jamshid Hashemi was at any of the meetings with Cyrus in Madrid in the summer of 1980.[369]

Furthermore, Durrani denied telling Robert Parry that he had knowledge of meetings in Madrid, and he denied discussing with Naqashan the subject of meetings in Madrid in the summer of 1980.[370] Durrani also denied telling Robert Parry and Robert Ross that he had learned from the above-mentioned Revolutionary Guard sources about contacts between the Reagan campaign and the Iranian government.[371] He specifically denied telling Parry and Ross that Naqashan was one of his sources on the Madrid meetings.[372] When confronted with his on-camera statements to "Frontline," in which he claimed knowledge of a Casey-Karrubi meeting in Spain, Durrani initially claimed that his statements had been taken out of context.[373] Similarly, he denied ever telling anyone that Cyrus arranged meetings between Casey and Mehdi Karrubi in Europe, asserting that Gary Sick's reporting to the contrary is "incorrect." [374]

(iii) Heinrich Rupp

Rupp's testimony under oath was at odds with the knowledge previously attributed to him regarding meetings in Madrid. As mentioned above, Rupp had told journalists Robert Ross and Robert Parry that he had been involved in flights to Spain in the summer of

1980, "two of which were to Madrid for secret contacts between Casey and the Iranians." [375] The manner in which these allegations were reported strongly suggested that Rupp flew Casey to Madrid in 1980 for meetings with Iranians.

At his deposition, Task Force counsel confronted Rupp with the allegations regarding his involvement in flights to Spain in 1980. Rupp's initial response was evasive.[376] Later, the following exchange between Rupp and counsel occurred:

> COUNSEL: Sitting here today, sir, do you have any knowledge that Bill Casey went to Spain in 1980?
>
> RUPP: I think so.
>
> COUNSEL: What is the basis for that knowledge, sir?
>
> RUPP: I have a departure, deadhead departure out of Spain, two of them, which I definitely brought people in, some high-level Middle East meetings were scheduled because the British pilot came out of the Middle East with those people who he told me that is meeting some VIP Americans and nice things are going to happen. Those are pilots' ramp conversations.
>
> COUNSEL: Sitting here today, do you have any specific knowledge . . . that Bill Casey was a passenger on a . . . plane that you piloted to Spain in 1980.
>
> RUPP: I would say no.[377]

Rupp also made certain bizarre claims which expose his lack of credibility. For example, Rupp claimed that the late William Buckley, who was kidnapped in Beirut and subsequently murdered, "was my station chief." [378] Rupp testified that he had worked for Buckley "in Tehran as well as in Beirut," and that he had received instructions from Buckley's offices in Tehran and Beirut.[379] Similarly, Rupp claimed that he first met William Casey in Germany during the Berlin airlift in 1948.[380] According to Rupp, Casey was dressed at the time as a U.S. Air Force officer and was part of a crew for one of the aircraft involved in the airlift.[381] These claims are preposterous and contrary to the documentary evidence.

(iv) Ari Ben-Menashe

Credible testimonial and documentary evidence show Ben-Menashe to be totally lacking in credibility regarding his allegations about meetings in Spain in 1980 between William Casey and Mehdi Karrubi. Rafi Eitan, who allegedly confirmed to Ben-Menashe reports of such meetings, has informed the Government of Israel that he does not know Ben-Menashe and has never met him.[382] Yehoshua Saguy, in whose presence Eitan allegedly confirmed these reports for Ben-Menashe, has also told the Government of Israel that he has never met Ben-Menashe.[383] Saguy also has denied any knowledge of meetings in Spain between Casey and Karrubi.[384]

Numerous inconsistencies in Ben-Menashe's testimony buttress the Task Force's finding that his allegations are untruthful. For example, the Task Force has investigated Ben-Menashe's claims about his own background and his purported participation in alleged Israeli intelligence operations involving Iran and the United States. Aside from early biographical details, virtually everything Ben-Menashe told the Task Force has been found to be false.

The file on Ben-Menashe maintained by Israeli Military Intelligence revealed the following:

—Ben-Menashe failed the prepatory training portion of the officer's course, a fact which he omitted from his testimony to the Task Force.[385]

—Although he was subsequently assigned to a signals intelligence unit, Ben-Menashe's job was to translate Persian into Hebrew—not, as he claimed, to de-code Iranians messages.[386]

—Contrary to his testimony, Ben-Menashe was never ordered to serve in Italy or anywhere else abroad. Nor was he ever court-martialed or imprisoned.[387]

Ben-Menashe's military records and interviews with his superiors confirmed that he worked for the External Relations Department of Israeli Military Intelligence between 1977–1987. The evidence, however, shows that he worked the entire time as a translator of materials of relative insignificance and low levels of classification.[388] For seven of the ten years,

Ben-Menashe's position in the External Relations Department was listed as a translator in his annual military efficiency reports.[389] For the other three years, Ben-Menashe was listed as a "staff officer in the means of armaments [war] unit" of the External Relations Department.[390] The job description of his job duties, however, shows that he served as only a translator. Interviews with Ben-Menashe's superiors and his military records also show that he was listed as working in the "means of armament [war] unit" purely for bureaucratic reasons pertaining to available slots and pay: in the underfunded External Relations Department.[391]

Contrary to Ben-Menashe's claims, his records also reveal that he had no responsibilities involving contacts with the CIA or the intelligence service of any other country.[392] Nor did his job involve or require any travel abroad. In particular, Ben-Menashe was never sent to Iran. In fact, his job did not entail any responsibility concerning Iran. Rather, his work consisted of translating documents and materials from Hebrew to English.[393]

The evidence obtained by the Task Force regarding foreign travel taken by Ben-Menashe further contradicts his allegations. Ben-Menashe's military record show that he took many personal trips between 1977 through 1987.[394] Many of these trips according to Israeli military and customs documents, were for family and medical reasons. Moreover, according to Israeli Defense Force records in Ben-Menashe's own handwriting, Ben-Menashe never listed Iran as a country that he visited throughout his ten-year period with Israeli Military Intelligence.[395]

Ben-Menashe's penchant for taking an excessive amount of personal leave eventually prompted disciplinary action. According to Ben-Menashe's military file, in 1987 Ben-Menashe was rebuked by his superior, Dr. Aryeh Shur, for taking too much time off abroad on personal leave and for being absent so often from work. In a letter by Shur dated July 23, 1987, Shur said that he had met with Ben-Menashe that day, warned him that he had taken too much personal leave, and told him that in the future he would not be allowed to do so.[396] On the same day, Ben-Menashe wrote a letter to his superiors in the External Relations Department stating that he wished to leave the Army and asking for their help in finding new work.[397]

Subsequently, Ben-Menashe's relations with his superiors apparently further deteriorated. According to a document in Ben-Menashe's military file dated September 9, 1987, Ben-Menashe complained before the union of civilian employees in the Israeli defense Forces that he had served for ten years as a translator without ever receiving a significant promotion.[398] On September 15, 1987, Ben-Menashe resigned from the Israeli Defense Forces.[399]

Testimony from former Israeli military and intelligence officials further undermines Ben-Menashe's credibility. Israeli authorities interviewed David Kimche, General Yehoshua Saguy, Rafi Eitan, Samuel Moriah, Meir Meir, and General Yitzhak Segev (chief Israeli military attache to Iran until 1980). According to their statements, none of the aforementioned individuals ever met, knew or heard of Ben-Menashe until he began making his allegations in the American media in 1991.[400] None of these individuals has any knowledge of any alleged October Surprise agreement, or any alleged meetings involving the United States, Israel and Iran related to arms.

Similarly, Yitzah Hofi, who served as head of Mossad during 1980–1982, told Israeli authorities that he does not know Ben-Menashe, that he has never met him, and that Ben-Menashe was never assigned to any mission by Mossad.[401]

The Task Force found no evidence to corroborate Ben-Menashe's allegations regarding Mehdi Kashsni's contacts with the Israeli government. Contrary to Ben-Menashe's allegation that Kashani personally informed Saguy about meetings in Spain between William Casey and Mehdi Karrubi, Saguy told Israeli authorities that he does not know Kashani and has never met him.[402] Israeli military and intelligence records contain no evidence of a relationship between Ben-Menashe and someone by the name of Kashani.[403]

The Task Force found also no evidence to substantiate Ben-Menashe's allegations regarding a trip to Iran by Robert McFarlane and Earl Brian. Conversely, there is substantial credible evidence to refute these allegations. Earl Brian gave credible sworn testimony before the Senate in which he denied these allegations.[404] In addition, information obtained by the Task Force from the U.S. Department of State's

Office of Passports established that Brian did not even possess a passport for most of 1980.[405]

The chronology of Ben-Menashe's allegations about contacts between the 1980 Reagan campaign and representatives of the Iranian government provides additional grounds for impeaching his credibility. On November 3, 1989, Ben-Menashe was arrested with two Americans in a U.S. Customs sting operation on charges of conspiring to illegally export C-130 transport planes. He was released from jail in November 1990 after being found not guilty. In the fall of 1990, Ben-Menashe began giving interviews to journalists and writers including Robert Parry of PBS, Martin Kilian of *Der Spiegel*, and Gary Sick. In those interviews, Ben-Menashe began asserting his knowledge and participation in the October Surprise conspiracy.

In his initial interviews, Ben-Menashe did not profess to have any knowledge of meetings in Madrid in 1980. Rather, he claimed to have knowledge only of meetings in Paris in October 1980. According to personal notes of Richard Brenneke, dated November 1990, Ben-Menashe told Martin Kilian that "he [Ben-Menashe] says he was in Paris in October 1980 and I [Brenneke] probably was too." Kilian immediately relayed the contents of his conversation to Brenneke.[406]

According to Brenneke's diaries and personal records, Kilian spoke to Brenneke and Sick on a regular basis, relaying to them bits and pieces of conversations with other people who claimed to be part of the October Surprise conspiracy.

Kilian's first contact with Ben-Menashe, according to Brenneke's personal records, was in 1989 when Kilian found Ben-Menashe in Chile.

Privy to what everyone else was saying about the October Surprise, Ben-Menashe began making new claims about his personal involvement and knowledge of the October Surprise conspiracy. After first alleging that he was in Paris with Casey in October 1980, Ben-Menashe began asserting that he—rather than Houshang Lavi—was involved in the meeting with Richard Allen, Laurence Silberman and Robert McFarlane at the L'Enfant Plaza Hotel in Washington.[407] Only after being asked about the alleged meetings in Madrid by Robert Parry and Gary Sick, who had been told about the meetings by Jamshid Hashemi, did Ben-Menashe begin to claim that he also knew about those meetings.

(v) Richard Babayan

The Task Force determined that Richard Babayan is not a credible witness. First, with respect to his allegations about meetings in Madrid, no one other than Babayan has ever mentioned the name "Mohsen Baranriz" in connection with the alleged meetings. Babayan also refused to provide the Task Force with corroborating information which he claimed he possessed, such as the names of other Iranians who attended the meetings in Madrid.[408] In the same vein, Babayan claimed to have knowledge of subsequent meetings in Zurich between Americans and Iranians, and refused to identify his sources of information for these alleged meetings.[409] In addition, while such fundamental information as where in Madrid the alleged meetings took place.[410] Finally, Babayan's testimony regarding Casey's presence at meetings in Madrid has been discredited by strong evidence that Casey was in the United States during these time periods.

Second, Babayan's credibility is further undermined by additional claims that he made to the Task Force. For example, he claimed to have been associated with a CIA "front company" in Switzerland by the name of "Diwan", operated by an alleged CIA asset by name of "M.K. Mos".[411] The Task Force has determined that neither Babayan nor "M.K. Moss" has ever worked for the CIA, either directly or indirectly.

Another story told by Babayan is even more illustrative. Babayan testified that he did not know who William Casey was at the time Baranriz mentioned Casey to him in Paris, and that only when he was subsequently shown a large photograph of Casey by his "CIA contact" in Switzerland, "M.K. Moss", did he recognize Casey.[412] Upon seeing the this photograph, Babayan further testified, he remembered that he had seen Casey in Paris several weeks earlier in June taking a walk with Albert Jolis.[413] As to this allegation, the Task Force believes that Babayan is simply trying to "bootstrap" upon published reports of a trip that Casey, Jolis, and Richard Allen made to France and England in early July 1980.[414]

Third, the Task Force has received reliable information from law enforcement agencies that Babayan has an extensive criminal record, including a history of engaging in criminally fraudulent behavior.[415]

d. Jamshid Hashemi's Lack of Credibility

The Task Force has determined that Jamshid Hashemi's allegations regarding meetings in Madrid in the summer of 1980 are fabrications. Jamshid has no documentary evidence to substantiate his allegations, such as a passport, diaries, calendars or receipts.[416]

Even assuming that the Plaza Hotel records constitute credible circumstantial evidence that Jamshid was in Madrid during the dates shown on those records, the Task Force believes that Jamshid testified falsely regarding his reason for being in Madrid. Jamshid testified that the meetings between Casey and Karrubi were the sole purpose of his visit to Madrid.[417] In the course of its investigation, the Task Force has obtained access to credible documentary and testimonial evidence which tends to prove that Jamshid went to Madrid for an entirely different purpose.

Islam Kazemieh, an Iranian national now living in Paris, worked in Paris in 1980 for an organization whose aim was to unify the various anti-Khomeini exile groups.[418] Kazemieh gave credible testimony to the Task Force that Jamshid Hashemi asked him during the summer of 1980 to arrange for members of Kazemieh's organization to travel to Madrid with Jamshid to meet with representatives of the Iraqi government.[419] Kazemieh testified that Jamshid was seeking to use the names of former Iranian Prime Minister Ali Amini, a prominent member of Kazemieh's group—and Admiral Ahmed Madani—who by that time had gone into in hiding in Iran—in order to impress the Iraqis and extract money from the Iraqi government to support an overthrow of the Khomeini regime.[420]

Kazemieh's testimony is corroborated by Houshang Aryanpour, a former Iranian Admiral who worked closely with Madani in 1980.[421] Aryanpour testified that Jamshid Hashemi visited Madani at least twice in West Germany during a six-month period in late 1980 and early 1981 when Aryanpour resided there.[422] After a visit by Jamshid to Germany in early October 1980, Madani told Aryanpour that Jamshid had suggested to Madani, that he travel to Iraq and meet with Saddam Hussein.[423] According to what Madani told Aryanpour, Jamshid also told Madani that Saddam Hussein was prepared to give extensive assistance to Madani.[424]

Aryanpour also testified that on another occasion, an Iranian colonel by the name of Bani Ahmadi came to Germany with Parviz Ansari, another Iranian military official, and met with both Aryanpour and Madani.[425] According to Aryanpour, Ahmadi discussed Iraqi financial assistance to Shahpour Bakhtiar and said that he had met Jamshid Hashemi in Baghdad.[426]

Kazemieh's testimony is also corroborated by contemporaneous intelligence information obtained by the U.S. Government which indicates that Jamshid was traveling to Madrid in early August 1980 to meet with Iraqi officials.

The FBI's electronic surveillance of Cyrus Hashemi provides further corroboration of the testimony from Kazemieh and Aryanpour. On November 14, 1980, Cyrus Hashemi received a telephone call from Aryanpour. During this conversation, Aryanpour told Cyrus that he wanted to discuss "some things" that Jamshid was doing "that are harmful to the country" [i.e., Iran] and "harmful to Madani." [427] Aryanpour proceeded to tell Cyrus that he has heard that Jamshid "has written a letter to Iraqi leader Saddam Hussein under Madani's signature." [428]

The Task Force also believes that Jamshid gave false testimony regarding the meeting in Madrid, on July 2, 1980, between Stanley Pottinger and Reza Passindideh. At his deposition, Jamshid claimed that he was in Madrid at the time of the Pottinger meeting.[429] He did not claim to have participated in the meetings, but he did say that he "kept close to Mr. Reza Passendideh" and that he met with Passindideh during the time that Passindideh was in Madrid.[430] Jamshid also testified that he saw Cyrus while the latter was in Madrid for this meeting.[431] Jamshid's claims are inconsistent with credible testimony from Stanley Pottinger and Mahmoud (Max) Moini-Eraghi, who accompanied Cyrus Hashemi and Passindideh to the meeting.

Moini-Eraghi testified that Jamshid was furious at him after he returned from Madrid to

the United States and Jamshid discovered that the meeting had taken place without him.[432] Competition between Jamshid and Cyrus Hashemi also underlay Jamshid's anger. According to Moini-Eraghi, Jamshid had wanted to be the person to go to Madrid, establish "a bridge" with the U.S. government, and receive the credit for bringing Passindedeh to a meeting with U.S. officials.[433] The fact that Cyrus received the credit instead enraged Jamshid.[434] As for whether Jamshid was in Madrid at the time of the meeting, Moini-Eraghi testified that he had no knowledge of Jamshid's presence in Madrid and that Jamshid gave him the impression that he had not been in Madrid at all when the meeting took place.[435] At no time after the meeting did Jamshid ever tell Moini-Eraghi that he had been in Madrid at the time of the meeting with Passindideh.[436]

Stanley Pottinger testified that the only people he knows to have been in Madrid at the time of the Passindideh meeting, other than himself, were Cyrus Hashemi, Passindideh, and Moini-Eraghi.[437] Pottinger also told the Task Force that he had no contemporaneous knowledge—nor has he since become aware—that Jamshid Hashemi was also in Madrid when the meeting took place.[438]

Jamshid's credibility regarding his claim to have been in Madrid when the Passindideh meeting occurred is further impeached by a detailed chronology prepared by Pottinger in early 1984 in connection with the pending criminal indictment of Cyrus Hashemi.[439]

The chronology pertains to events in 1979 and 1980 concerning the Iran hostage crisis and, according to a cover memorandum, was prepared from "contemporaneous notes, recollections, and interviews with Cyrus Hashemi." [440] The chronology contains a four and one-half page discussion of the Passindideh meeting, in which there is no mention of Jamshid's presence in Madrid.[441]

Third, Jamshid has been inconsistent in his advancement of the Madrid allegations. Martin Kilian, a German journalist then with *Der Spiegel* who has worked extensively on the "October Surprise" story, told the Task Force that he interviewed Jamshid in London in May 1989 regarding allegations of contacts between the 1980 Reagan campaign and the Iranian government.[442] Kilian also provided the Task Force with copies of notes that he made contemporaneously during his interview of Jamshid. According to Kilian—and to Kilian's notes—at no time did Jamshid mention anything about meetings in Madrid.[443] Rather, Jamshid focused during the interview on alleged meetings in Paris during the fall of 1980—a subject of which he denied any knowledge during his deposition by the Task Force.[444] Further, Jamshid denied that he knows Kilian and denied that he has ever had any contact with him.[445]

Fourth, Jamshid has made several inconsistent statements regarding the Madrid meetings. Among these inconsistencies are the following:

—*Duration of the Meetings.* At his first informal interview by the Task Force on April 7, 1992, Jamshid said that there were two meetings, each of which spanned two or three days. The discussion of the Madrid meetings by Gary Sick and by ABC News Nightline—both of which are based solely on interviews with Jamshid—also indicates that the meetings each took place over a two-day period.[446] At his deposition, Jamshid initially testified that the first meeting did not continue over into a second day.[447] Then he expressed uncertainty, claiming that one of the meetings in Madrid was a one-day affair, the other was a two-day affair, and he could not recall which was which.[448]

—*Arms for Hostages.* In the "Frontline" broadcast of April 16, 1991, Jamshid is quoted as follows regarding what happened at the first Madrid meeting in late July 1980: "Casey said the Iranians should hold the hostages until after the election . . . and the new Reagan administration would feel favorably towards Iran, releasing military equipment and the frozen Iranian assets." [449] At his deposition, Jamshid denied the statement, calling the attribution "[a]bsolute rubbish." [450]

—*When Jamshid Asked Karrubi to Come to Madrid.* Jamshid told ABC News that the meeting with Mehdi Karrubi in Madrid was approved in April 1980.[451] But he testified at his deposition that he did not contact Karrubi to ask him to come to Madrid until after the Pottinger-Passindideh meeting in Madrid in early July 1980.[452]

Finally, the Task Force has obtained a substantial amount of credible testimony, and reviewed extensive credible documentary evidence (including intelligence information and analyses), which establish that Jamshid Hashemi has a reputation for untruthfulness and a long history of perpetrating fabrications and engaging in fraudulent behavior.[453] In fact, in spite of the range of individuals questioned about these events, the one area of unanimity is Jamshid's lack of trustworthiness.

Jamshid's contacts with U.S. Government officials in 1979–1981 concerning Admiral Ahmed Madani provides a basic illustration of his lack of credibility.[454] In December 1979 and January 1980, when the U.S. Government was seeking channels of communication to moderates in the revolutionary Iranian government, Jamshid—then using the name Mohammed Ali Balanian—repeatedly represented himself to officials of the State Department and CIA as the official representative of Madani.[455] In late January 1980, Jamshid provided U.S. officials with a letter for President Carter purportedly written by Madani, which, according to Jamshid, had been delivered to him from Iran and decoded by an Iranian Navy captain serving as a special courier.[456] The letter contained a request, allegedly from Madani, for U.S. government backing for a military coup in Iran.[457]

Approximately three weeks later, Jamshid traveled to the United States carrying another letter purportedly from Madani.[458] In this letter, which was intended for Secretary of State Cyrus Vance, "Madani" expressed distrust for Cyrus Hashemi and asserted that Cyrus should be cut out of the U.S. Government's communication with Madani.[459]

At or around this time, CIA officials discovered that "Mohammed Ali Balanian" was actually Jamshid Hashemi, about whom the Agency had issued warnings many years earlier regarding his veracity.[460] Consequently, Agency officials confronted Jamshid with the information concerning his background and asked him to submit to a polygraph examination.[461] Jamshid refused, became belligerent, and the Agency from that point forward looked for ways to end its reliance on Jamshid to communicate with Madani.[462]

Information subsequently received by CIA officials confirmed their suspicions about Jamshid's truthfulness. In late February 1980, Agency officials learned that the person who supposedly acted as the "courier" for the letters which Jamshid had said were from Madani knew nothing about the letters, was not part of any courier system, and had not de-coded any messages from Madani.[463] Further, both Madani and Houshang Aryanpour, his trusted aide, testified that Jamshid did not have authority to act as Madani's representative to the U.S. Government.[464]

In December 1980, Jamshid again approached CIA officials claiming to act as Madani's authorized representative.[465] He specifically told Agency officials that he was contacting them with Madani's approval, and that he wanted Madani to come to the United States to meet with William Casey, the newly designated CIA Director, and with the President-elect Reagan's designated White House Chief-of-Staff, James Baker.[466] Jamshid also told CIA officials that they should stop dealing with Aryanpour and should rely only on him as an intermediary for communications with Madani.[467] In late January 1981, however, Madani told CIA officials that he had not known about, or authorized, Jamshid's approach in late December 1980, and that he had told Jamshid to "stop interfering" in Madani's affairs.[468] He stressed that Jamshid had absolutely no authority to speak on his behalf.[469] Madani added that only Aryanpour and two other trusted aides were to be considered his authorized agents in dealing with the Agency.[470]

4. Conclusions

The Task Force has concluded that there is no credible evidence to support Jamshid Hashemi's allegations regarding meetings in Madrid in the summer of 1980. The only affirmative evidence supporting these allegations are records from the Plaza Hotel in Madrid and testimony from Ari Ben-Menashe and Richard Babayan.

The hotel records, at best, indicate only that Jamshid Hashemi may have been in Madrid at the time of the alleged meetings. They have no probative value regarding the alleged presence in Madrid of William Casey and Donald Gregg.[471] Nor do they have any probative value with respect to whether the alleged meetings took place.

As alleged, these meetings could not have taken place without the simultaneous presence in Madrid of William Casey, Cyrus Hashemi, and Donald Gregg. There is no credible evidence of any kind to support this proposition.

—The only evidence that William Casey traveled abroad during the relevant time period is evidence regarding Casey's attendance at the London conference on the Second World War in late July 1980. The evidence strongly indicates that Casey departed the United States on July 27, arrived in London on July 28, and departed London for the United States on July 29. There is direct evidence that Casey was back in the United States by July 30. There is also credible testimonial and documentary evidence that Casey was in the United States during the two-day period of July 25–26, and that he therefore could not have gone to Madrid prior to the opening of the London conference.

—There is strong circumstantial evidence that Cyrus Hashemi was in the United States during the period of July 26–28.

—Similarly, Donald Gregg and Margaret Gregg provided credible testimonial and documentary evidence that Donald Gregg was in the United States during the relevant time period.

Thus, substantial credible evidence demonstrates that William Casey, Cyrus Hashemi, and Donald Gregg were all in the United States at the very time they are alleged to have been meeting in Madrid.

The inability of the Task Force to establish Casey's whereabouts on Saturday, August 9 and the weekend of August 16–17 has no probative value regarding the allegations of meetings in Madrid. There is no credible evidence that Casey was abroad on these dates, or that he traveled to Europe again in 1980 after the two trips in early and late July. The absence of data in Casey's calendars for certain weekends, particularly summer weekends, is, in the experience of the Task Force, common among busy professionals. Further, Casey's attendance at meetings in Madrid on these dates would make sense in the context of the allegations only if such meetings were the alleged follow-up meetings to the first round of alleged meetings in Madrid. Given the Task Force's conclusion that there is no credible evidence that the first round of meetings took place, there is no credible basis to believe that follow-up meetings occurred.

In addition to the evidence regarding the whereabouts of alleged key participants, the Task Force has concluded that Jamshid Hashemi is simply not a credible witness.

—Jamshid could not provide the Task Force with any evidence to corroborate his allegations.

—The Task Force obtained credible testimonial and documentary evidence indicating that Jamshid was in Madrid during the summer of 1980 for purposes other than what he has alleged.

—During an interview with a journalist in May 1989, Jamshid omitted any reference to meetings in Madrid, focusing instead on alleged meetings in Paris in late 1980.

—There are material inconsistencies in Jamshid's story regarding the duration of each set of meetings in Madrid, the allegation that Casey sought to delay the release of the hostages, and the time at which he allegedly asked Mehdi Karrubi to attend meetings in Madrid.

—After his indictment in mid-1984, at no time did Jamshid mention the Madrid allegations to U.S. law enforcement officials—or to his own attorneys—despite making other efforts to bargain for leniency.

—Jamshid gave false testimony to the Task Force regarding his presence in Madrid in early July 1980 when Stanley Pottinger, Cyrus Hashemi, and Mahmoud Moini-Eraghi met with the Iranian envoy Reza Passindideh.

—Scores of unguarded recorded conversations in late 1980 and early 1981 between Jamshid and Cyrus Hashemi—the supposed coordinators of the Madrid meetings—do not contain a single indication that such meetings took place.

—U.S. Government records contain voluminous credible evidence that Jamshid Hashemi has a history of fraud and fabrication, and testimony from witnesses who

have known Jamshid further established that he has a reputation for dishonesty and untruthfulness.

Nor is there any testimonial evidence to lend credence to Jamshid's allegations. Of the five individuals who reportedly corroborate Jamshid's story about the Madrid meetings, three—Ahmed Madani, Arif Durrani, and Heinrich Rupp—testified under oath that they have no knowledge of such meetings. The other two—Ari Ben-Menashe and Richard Babayan—are not credible witnesses.

Two additional findings by the Task Force also tend to negate the possibility that the alleged meetings in Madrid took place. First, there is no credible evidence that Cyrus Hashemi had direct contact with William Casey in 1980.[472] Second, there is no documentary evidence in U.S. Government files to corroborate these allegations, and numerous former U.S. Government officials who served in positions of sensitivity in the intelligence and foreign policy fields in 1980 have given credible testimony that they have no knowledge of the alleged meetings.

C. March 1980 Meeting at Mayflower Hotel

1. The Allegations

Jamshid Hashemi's initial contact with William Casey allegedly occurred in early 1980 in Washington, D.C. According to the version of this event that Jamshid provided Gary Sick, Jamshid visited Washington in March 1980 for meetings with his "intelligence contact in the U.S. Government." [473] While in his room at the Mayflower Hotel, Jamshid received a knock at the door. According to the original allegations, he opened the door to find two men standing in the corridor. One of the men introduced himself to Jamshid as Roy Furmark.[474] The other man said he was William Casey.[475]

Casey allegedly said that he was aware of Jamshid's contacts in Iran and wanted to discuss the American hostages in Iran.[476] While Furmark waited outside in the corridor, Jamshid telephoned Cyrus Hashemi in New York.[477] According to the allegations, Cyrus told Jamshid that Casey was an important figure in Republican politics, and that contact with Casey could prove worthwhile.[478] Casey and Cyrus Hashemi subsequently spoke to each other on the telephone for several minutes, agreeing to meet in New York. Casey then thanked Jamshid and left abruptly. The entire encounter, according to the original allegations, lasted about twelve minutes.[479]

Subsequently, Jamshid allegedly reported his encounter with Casey to his "intelligence contact", whom he identified to Gary Sick as Charles Cogan, then a senior official in the Near East Division of the CIA's Directorate of Operations.[480] According to Sick's contemporaneous notes from his conversations with Jamshid, Jamshid told Sick that Cogan told Jamshid to "disregard the meeting" and not to meet with Casey again.[481]

2. Evidence Tending To Disprove the Allegations

The Task Force has concluded that there is no credible evidence to support these allegations. Jamshid Hashemi—the only source of this story—has never provided any evidence to substantiate these allegations. Nor has the Task Force found any corroborating evidence of any kind.[482] Conversely, the Task Force has obtained credible documentary and testimonial evidence which is inconsistent with Jamshid's allegations. In addition, Jamshid's accounts of the incident to different parties are riddled with major inconsistencies.

Roy Furmark, the only living person other than Jamshid alleged to be a witness to the event, gave credible testimony in which he totally denied Jamshid's allegations.[483] Furmark testified that he did not meet Jamshid until approximately 1987.[484] He also provided the Task Force with a copy of his appointment calendar for 1980. Based on this calendar, Furmark testified that the only time he traveled to Washington in 1980 was a brief business trip which occurred on May 31, 1980.[485] He did not go to the Mayflower Hotel during this visit, and he has never been there with William Casey.[486] Nor did he recall ever accompanying William Casey to any hotel in Washington, D.C. for any purpose.[487] Charles Cogan also testified under oath that there is no truth to Jamshid's allegations as they relate to him.[488]

At his deposition, Jamshid testified that Casey visited him in a hotel in Washington,

D.C. in 1980. In contrast to his prior accounts of the story, however, Jamshid testified that Casey was alone when he came to Jamshid's hotel room.[489] He also denied telling Gary Sick previously that Casey was accompanied by Roy Furmark.[490] Further, Jamshid testified that the visit by Casey to his hotel room took place after the meeting in Madrid involving Stanley Pottinger and Reza Passandideh, which occurred in early July 1980.[491]

Jamshid's testimony before the Senate Foreign Relations Committee also revealed material inconsistencies in his story. During that testimony, Jamshid said that he could not remember the name of the hotel in Washington where the alleged visit by Casey took place.[492] He also told the Senate committee that the entire visit by Casey probably lasted "no more than three or four minutes." [493] In sum, there is not credible evidence to support Jamshid's story.

D. Spring 1980 Meeting in New York With Donald Gregg

In an interview with Gary Sick in London on October 15, 1990, Jamshid Hashemi told Sick that he and Cyrus Hashemi met with Donald Gregg at Cyrus's office in New York City during the spring of 1980.[494] At the time, Gregg was a senior staff person on the Carter Administration's National Security Council, where he was responsible for intelligence matters and East Asian affairs.[495] According to Jamshid, Cyrus introduced Gregg to Jamshid as "the man from the White House." [496] Jamshid also told Sick that he and Cyrus had lunch with Gregg at a restaurant in Manhattan near Cyrus's office, at which they discussed "the various contacts that were under way between the two brothers and the U.S. Government.[497]

It has been suggested that there is linkage between Gregg's alleged meeting with the Hashemi brothers and Gregg's relationship with George Bush, with whom Gregg had served in the U.S. Government.[498] The implication of this suggestion is that Gregg was meeting with the Hashemi brothers on behalf of the Republicans.

The Task Force found no credible evidence to support the allegation that Gregg met with Hashemi brothers in New York in 1980, either on his own behalf or on behalf of the Republicans. At his deposition, Gregg gave credible testimony that the meeting alleged by Jamshid Hashemi "did not happen," and that he has never met Cyrus or Jamshid Hashemi.[499] He further testified that he had no recollection of traveling to New York in 1980 for any purpose.[500]

Moreover, Jamshid Hashemi has recanted his allegation. At his deposition, Jamshid testified that he has never met Donald Gregg, and that he did not "recall" telling Gary Sick that he and Cyrus Hashemi met Gregg in New York in 1980.[501] Incredibly, Jamshid also recently told Sick that the person to whom he was actually referring when he originally told Sick this story was "Robert Gray," not Donald Gregg.[502]

Gary Sick testified that Jamshid's pronunciation of the name "Gray" could be misconstrued as "Gregg".[503] Sick also testified, however, that he used the name "Donald Gregg" in conversation with Jamshid about this matter, that he and Jamshid "had been over this Gregg business several times", and that he, Sick, "talked about it in the context of somebody who worked with me." [504] Sick further testified that, "as far as I was concerned, the context was very clear. There was never any doubt in my mind who we were talking about or what the circumstances were." [505]

The Task Force regards Jamshid's recent statements about this matter as totally devoid of credibility, and probative of a tendency to modify his allegations to conform to subsequent revelations which are inconsistent with those allegations.[506]

E. Dirk Stoffberg/Reiner Jacobi

1. Allegations

Dirk Stoffberg [507] is a South African arms dealer, who claimed in October of 1992, while awaiting sentencing in a federal prison in New York, to have met William Casey in London in August, 1980. According to Stoffberg, he was introduced to William Casey by Reiner Jacobi,[508] who claimed to have gained access to William Casey because of his role as a confidential source for CIA.[509]

Stoffberg alleged that during the summer of 1980 he was called to London by a contact from the British Intelligence Service whom Stoffberg refused to name. Stoffberg checked into the Carlton Hotel for a few days and then switched to the Capitol Hotel in the Knightsbridge section of London under the name of Mr. Berg.[510] Two to four days later the unnamed British Intelligence officer called him again to say that Jacobi was prepared to see him. Jacobi and Stoffberg met and spent the day together. During their conversations, Jacobi told Stoffberg that there was "one of his superiors that [he] had to meet." [511] Stoffberg agreed and Jacobi took Stoffberg to a restaurant where he was introduced to William Casey. Jacobi then left. Stoffberg and Casey allegedly dined together and during the course of their meal, Casey mentioned that Stoffberg was brought to his attention because of the work he had done with the British missionaries who had been taken hostage in Iran. Casey supposedly indicated that he had a similar problem with the American hostages and asked Stoffberg if he could use his links to the Iranians to help get the Americans released.[512] Stoffberg told Casey that he would try to help.

Stoffberg reflected that his plan was to use Iran's desire for certain embargoed items, including arms, as his mechanism for gaining the hostages release. Specifically, he had in mind a 155mm gun which would work well within the Iranian arsenal. At the conclusion of Stoffberg's meeting with Casey, Stoffberg had the impression that Casey approved of Stoffberg's plan to try to supply Iran with this weapon in return for their consideration of the release of the American hostages.[513]

2. Analysis of Allegations

Stoffberg, like others claiming knowledge of an October Surprise deal between Republicans and Iranians, first made his story known from a jail cell. In October of 1991, Stoffberg was incarcerated in the Metropolitan Correctional Center in New York, New York on charges of illegal sales of arms, after being apprehended in Germany in April 1991 where he was held in prison pending his extradition. Stoffberg claimed that he and his attorney [514] affirmatively sought out interviews with reporters of the October Surprise allegations as well as Congressional staffers both because of the difficult conditions he faced in prison and because "it was good someone, especially the press, knew what I knew." [515] To this end, Stoffberg was interviewed by the Chief Counsel and a Congressional Member of the House Foreign Affairs Committee in December of 1991. As a result of this interview, the Chief Counsel wrote a letter on January 10, 1992 to Stoffberg's sentencing judge in which he requested that Mr. Stoffberg's present and future cooperation with an "on going" Congressional investigation be taken into consideration at the time of his sentence.[516] The judge indicated that he took this letter into consideration when determining Stoffberg's sentence and reduced his sentence by four and a half months.[517] The prosecution asked that Stoffberg's release be stayed while they considered an appeal of the sentence reduction. One week later, the U.S. Attorney's office notified the court that they did plan an appeal and Stoffberg was released shortly thereafter.

As to the facts of Stoffberg's allegations, there were internal inconsistencies which proved difficult to reconcile. First, Stoffberg testified to the Task Force, and previously in his prison interviews with reporters and congressional staff, that the reason he was introduced by British Intelligence to Reiner Jacobi and William Casey was the role he played in gaining the release of three British missionaries held hostage in Iran. In fact, the British hostages were released in February 1981, one month *after* the release of the American hostages. Second, even if Stoffberg misspoke and intended to say that he was involved in the process of getting the hostages released and not that they had actually been released prior to his meeting with Casey, the three British hostages were not even taken captive until August 10 & 13, 1980.[518] Thus, Stoffberg's meeting with Casey would have essentially coincided with the taking of the British hostages.[519] It is inconceivable that any negotiations involving arms sales by private South African citizens and the British Intelligence service would have been undertaken within a week of this hostage taking *and* that William Casey, a private citizen running a presidential campaign would have learned of this plan let alone be able to fly to London to meet with Stoffberg. Third, even if this scenario were possible,

Stoffberg has maintained throughout his testimony that he began his negotiations with the Iranians in June, 1980. This would have been two months *prior* to the taking of the three British missionaries. Fourth, Stoffberg indicates and his passport confirms that he entered London on August 11, 1980. He then checked into the Carlton Hotel for a "few days" and then switched to the Capitol Hotel for "two to four days". After this switch he alleged to have his meeting with Casey. While it is difficult to determine the exact date of the alleged meeting in London, the Task Force has been able to determine the whereabouts of William Casey during August, 1980 with the exception of parts of the weekend of August 16 and 17. Therefore, in order for Casey to have participated in the meeting, he would have had a very small window of opportunity within which to make the two day trip. Finally, in all of the hundreds of pages of documents Stoffberg showed to the Task Force to corroborate his testimony, not one mentioned Casey's involvement in the matter, or the fact that the arms dealings were being undertaken to assist in the freeing of the American hostages. This absence of even one reference to the hostage scenario given the fact that the arms dealings were in contravention of a worldwide arms embargo strains credulity.

Stoffberg was either unable or unwilling to provide specific information regarding certain aspects of his claimed scenario (i.e. his British Intelligence contact). Nor was he able to explain how the Iranian government was to know his actions were on the behalf of Governor Reagan and his campaign manager, William Casey. These two sets of circumstances coupled with the above information regarding the document review tends to shed serious doubt upon the scenario laid out by Stoffberg.

It is, therefore, the conclusion of the Task Force that Stoffberg's alleged contacts with Casey are not credible.

F. Miscellaneous European Meetings

Many of the individuals claiming to have participated in, or have knowledge of, the alleged Madrid and Paris meetings involving Republicans and Iranians, also assert knowledge of other European meetings related to the October Surprise scenario. In some reports, the insertion of these additional meetings into the "established" literature of the October Surprise allegations has raised doubts regarding the credibility of the individual making the allegation. These writers note that it is, on some levels, difficult enough to believe that Bill Casey in the midst of a presidential campaign could find time to attend two Madrid and one Paris meeting, let alone two or three additional meetings elsewhere in Europe. The Task Force did not want to prejudge any witness or confine its investigation to the parameters laid out by the journalists or writers supporting or debunking the October Surprise theory. To this end, the Task Force endeavored to inquire into these allegations.

1. Amsterdam—September 1980

Ari Ben-Menashe claims that the Madrid meetings were preparatory meetings to the "main Israeli-Iranian encounter in Amsterdam in September, 1980." [520] According to Ben-Menashe, this meeting occurred at the Marriott Hotel in Amsterdam.[521]

Ben-Menashe testified that David Kimche was the head of the Israel delegation. Also allegedly in attendance was Shmuel Morieh, Uri Simchoni, Ben-Menashe himself, and a person Ben-Menashe refused to name.[522] On the Iranian side, Ahmed Khomeini was the delegation leader. With him was Mehdi Kashani, Ahmed Omshei and Khosou Fakrieh. Mehdi Karrubi was not in attendance.[523] At a later point in the course of the meeting, a Mr. Husseinzadeh, a SAVAMA representative, joined the other Iranians. The meeting allegedly took place over a three-day period.

The upshot of the meeting, according to Ben-Menashe, was that the parties agreed to the immediate release of the hostages in return for Israel's immediate commencement of an air and sea lift of arms to Iran. Ben-Menashe testified that such a course of action was necessitated by major border clashes between Iran and Iraq.[524] Another element of the alleged Amsterdam agreement, despite the absence of Americans, was the decision that the Americans would agree to release Iran's frozen assets.[525] (This was so even though Ben-Menashe claimed no American presence at the meeting.) To assure U.S. compliance with this provision,

Ben-Menashe claimed that, William Casey was notified of the agreement.[526] Yehoshua Saguy, head of Israeli Military Intelligence, allegedly was the Israeli representative who made the contact with Casey.[527] Ben-Menashe further claimed that Saguy contacted CIA Director Stansfield Turner and his deputy, Robert Gates, about the substance of the Amsterdam meeting.[528]

Ben-Menashe testified that the Israelis and Iranians met in Amsterdam in order to avoid the scheduled meeting in Paris in October.[529] Unfortunately, said Ben-Menashe, the Amsterdam meeting did not meet its stated objective because the Americans did not agree to the terms. According to Ben-Menashe, when Saguy advised Casey of the results of the Amsterdam meeting, Casey did not agree to the terms that the Iranians and Israelis had agreed upon. Casey, said Ben-Menashe, "wanted an Iranian representative to actually lay it out for them [the Americans] . . . . He wanted a face-to-face meeting with a representative of the Iranians with one of his own people." [530] According to Ben-Menashe, this desire on the part of Casey gave rise to the L'Enfant Plaza meeting in Washington, D.C.[531]

The Task Force found no evidence to substantiate Ben-Menashe's allegations about a meeting in Amsterdam. Indeed, in the GOI Report, Israel specifically denied any knowledge of an Amsterdam meeting in September or at any other time.[532] Further, all of the individuals alleged to have been involved in these events who were available to the Task Force for interview [533] denied any knowledge of, or participation in, the Amsterdam meeting.[534] For these reasons, and because of its determination that Ben-Menashe was untruthful with respect to other allegations, the Task Force concluded that Ben-Menashe's totally uncorroborated allegation of a meeting in Amsterdam is a fabrication.

2. Zurich—September, 1980

Richard Babayan, in a sworn deposition, testified that he was aware of a meeting at the Hotel Bur-au-Lac in Zurich, Switzerland in September, 1980, involving Iranians and Americans.[535] According to Babayan, Mohsen Baranriz, Sadegh Tabatabai and a "close person to Khomeini", who Babayan refused to name, attended this meeting on behalf of Iran.[536] Babayan could not identify the Americans present at the meeting, but he said that they had expertise on military material because the purpose of this meeting was to review Iran's need for spare parts.[537]

Of the names Babayan mentioned, the Task Force was only able to locate Tabatabai. The Task Force interviewed Sadegh Tabatabai, who denied any knowledge of such a meeting.[538] Babayan refused to identify anyone who could corroborate his story. For these reasons, and given the Task Force's assessment of Babayan's overall credibility as it relates to other aspects of the October Surprise story, the Task Force found that there is no factual basis for Babayan's allegations.

3. Zurich/Paris—September and October, 1980

The Task Force interviewed *Der Spiegel* reporter Martin Kilian on August 5, 1992, who reported that one of his sources, Karl Heinz Ottershagan, alleged that Iranians, Israelis and Americans met in Frankfurt and Zurich sometime between September 20 and 30, 1980. He further alleged that these meetings involved the sale of arms to Iran and that as a result of these meetings, Iran received adequate assurances that it would receive arms from either or both the United States and Israel.[539] These assurances lead to the collapse of arms contract negotiations between European arms dealers and Iranian government officials.[540] The Task Force investigated this allegation to determine whether it stood scrutiny.

The Task Force determined that these allegations have been raised exclusively in interviews conducted by Martin Kilian and, according to Kilian, a German investigative reporter by the name of Jurgen Roth. When Roth allegedly interviewed an individual named Karl Heinz Ottershagan in early 1989 on another matter, he was advised that Ottershagan had information regarding meetings that supposedly were held in Frankfurt and Zurich in the fall of 1980.[541] Ottershagan allegedly told Roth that these meetings were between representatives of the government of Iran and Republican campaign officials. According to Ottershagan, Hamid Nagashian and Colonel Barand [ph] met with Richard Secord and Robert McFarlane in Zurich, Switzerland. The purpose of the meet-

ing was to discuss the barter of arms in exchange for the early release of the American hostages.[542] Following this meeting, Ottershagan allegedly told Roth, Robert McFarlane, Richard Allen and a CIA officer posted in Rome met with Nagashian in Paris in October, 1980. According to what Ottershagan allegedly told Roth, the purpose of this follow-up meeting was to work out the logistical details resulting from the September meeting in Zurich. Ottershagan allegedly told Roth that he did not participate in any of these meetings. He reportedly told Roth that he learned about these meetings from Nagashan in November, 1980.[543]

According to Kilian, Ottershagan was reinterviewed by Roth three months later. At this second interview, Ottershagan allegedly told Roth that both William Casey and Henry Kissinger were present at an October meeting in Paris. Additionally, Ottershagan reportedly advised that Robert Benes, Houshang Lavi and Dirk Stoffberg were involved with this meeting.[544]

According to Kilian, Ottershagan was interviewed a third time by Roth three months after the second interview. At that time, Ottershagan reportedly related that the alleged meetings in Zurich and Paris were actually part of a series of three meetings: Zurich, in September 1980; Paris, in October 1980; and Bonn, in November 1980. According to Ottershagan, all of these meetings pertained to the American hostages and Nagashan, Tabatabai, and Ahmed Khomeini each participated in aspects of these meetings.[545] Ottershagan also reportedly alleged that Alexander de Marenches was aware of the Paris meeting.[546]

At his Task Force interview on July 23, 1992, in 1989, Martin Kilian testified that he had interviewed a confidential source who claimed to have been an assistant to de Marenches in the French intelligence service. According to Kilian, this individual advised Kilian that while he had no first-hand knowledge of these Paris meetings, he claimed to have knowledge through access to French intelligence records that a German businessman named "Reisserer" was the "broker" of these Paris meetings. Kilian told the Task Force that he was unable to follow up on the lead because the Frenchman claimed to have been threatened and thereafter broke communication with Kilian.[547] According to Kilian, this source made no mention of the Zurich or Bonn meetings.

The Task Force interviewed Hamid Nagashan, Dirk Stoffberg, Robert McFarlane, Henry Kissinger, Alexandre de Marenches and Richard Allen about these alleged meetings. Each of these witnesses denied any knowledge of, or participation in, such meetings. The Task Force could not locate Ottershagan or the German businessman, "Reisserer", and it could find no independent evidence to corroborate any aspect of these allegations and, for that matter, the very existence of either of these two individuals.

Based on the foregoing, the Task Force concluded that there is no credible evidence that a meeting occurred in Zurich as reportedly alleged by Ottershagan, or that the alleged Zurich meeting was the first in a related series of meetings involving arms for hostages. Further, the Task Force found no evidence whatsoever of a Frankfurt meeting.

G. The Meeting at the L'Enfant Plaza

1. Allegations

Following newspapers articles in 1987 reporting accounts by Laurence Silberman and Richard Allen of a fall 1980 meeting with Robert McFarlane and a foreign national who claimed to have a plan to release the hostages, Ari Ben-Menashe and Houshang Lavi came forward alleging their presence at the meeting and linking it to October Surprise allegations.[548] Unlike other alleged meetings during the 1980 time frame, it is undisputed that the chief foreign policy advisor to the Reagan campaign, Richard Allen, campaign foreign policy consultant, Laurence Silberman and then Senate staffer Robert McFarlane attended a meeting at the L'Enfant Plaza Hotel. The unresolved issues however that existed prior to this investigation were: the date and subject matter of the meeting, the identity of the foreign national, and his relation, if any, to the Iranian government.

a. News Accounts

In 1986, William Safire wrote in *The New York Times* that Robert McFarlane had approached the Reagan campaign "with an Iranian in tow

who proposed to deliver [the] hostages to Mr. Reagan rather than President Carter, thereby swinging the United States election." [549] The reference was premised on a conversation Laurence Silberman had with Safire almost two years before the story appeared where Silberman did not identify the individual as an Iranian.[550] This article would fuel a 1987 story reported in the *Miami Herald* and later allegations that the meeting, at a minimum, had involved inappropriate subject matter and, at a maximum, provided a forum for officials of the Reagan campaign to negotiate a deal to delay the release of the hostages.[551]

In none of these articles was the identity of the foreign national disclosed, presumably because none of the Republicans could recall with sufficient detail the person with whom they met. After these accounts appeared in print, however, two individuals claimed to have been at the meeting—Ari Ben-Menashe and Houshang Lavi. The Task Force has deposed under oath most of the participants and alleged participants, and those non-participants with knowledge of these events. The following is a recitation and analysis of the same.

b. Ben-Menashe/Lavi Allegations

(i) Ari Ben-Menashe

According to Ari Ben-Menashe, the L'Enfant Plaza meeting was a follow-up to meetings in September 1980, held at the Amsterdam Marriott Hotel,[552] where representatives of Israel (David Kimche and Shmoul Morieh) met with representatives of Iran (Ahmed Khomeini, Mehdi Kashani, Omshei, Fakrieh, et al.).[553] At the conclusion of the Amsterdam meetings, Ben-Menashe claims that an agreement was reached to immediately release the hostages in exchange for arms from Israel.[554] Driving this decision, according to Ben-Menashe, was the outbreak of war between Iran and Iraq.

Although the agreement contained the terms discussed between the Americans and the Iranians in Madrid, the absence of an American representative caused Casey to balk when told about it in a phone call from Menachim Begin and/or Yehoshou Saguy.[555] According to Ben-Menashe, Casey's desire for a face-to-face meeting between a representative of Iran and a representative of the Reagan campaign gave rise to the L'Enfant Plaza meeting.[556]

Ben-Menashe testified that Dr. Ahmed Omshei [557] was the designated Iranian representative. Ben-Menashe, who was tasked with escorting Omshei to Washington, D.C. in early October, 1980, met him in Frankfurt, Germany and together they travelled through New York and on to Washington, D.C.[558, 559] Ben-Menashe says he was advised of the time and place of the meeting by Houshang Lavi, who, according to Ben-Menashe, served as the coordinator and facilitator of the L'Enfant Plaza meeting. Lavi, according to Ben-Menashe advised that the American coordinator was Robert McFarlane.[560]

In addition, during his testimony before Senate investigators, Ben-Menashe identified a handwritten note that he claimed he and Lavi dictated to a secretary from the Israeli consulate in New York.[561] The note which Ben-Menashe claimed to have placed in an Israeli government file [562] purports to set forth details of the L'Enfant Plaza meeting. It reads:

> "October 2, 80. Eastern Shuttle to DC. L'Plaza Hotel. Ring telcon with J. Baker to meet Silberman, All, Bob McFar. 40 page document F14 parts already paid for in return of hostages. Swap in Karachi. Charter 707." [563]

The Task Force has determined that Ben-Menashe's account of the L'Enfant Plaza meeting has been fabricated. According to numerous pieces of documentary evidence, Ben-Menashe's account is demonstrably false from beginning to end. As indicated elsewhere in this report, no credible evidence was found that meetings occurred in Amsterdam.[564] Moreover, in none of his multiple interviews with various journalists before his death did Lavi, whose own assertion of the meeting the Task Force concludes to be false, ever mention Ben-Menashe's name or even assert the existence of another who attended the meeting along with him at L'Enfant Plaza. Lavi's attorney, Mitchell Rogovin, who maintained daily contact with Lavi (and kept contemporaneous notes of his conversations) in September and October 1980, never heard Lavi mention Ben-Menashe.[565]

Moreover, Ben-Menashe's own account of the meeting is riddled with internal inconsistencies. Although he told the Senate investigators that he and Lavi had dictated the note,

Ben-Menashe told various journalists that he (Ben-Menashe) wrote the note. Lavi, on the other hand, claimed that he wrote the note.[566] It appears that Ben-Menashe simply appropriated the widely circulated note and inserted himself like some ubiquitous fictional movie character.[567]

Finally, his bare assertion that he attended the meeting is directly contradicted by three witnesses whose testimony is summarized below, and his personnel files, which indicate that while he was required to inform his superiors of his travel, he failed to report any travel to the United States in 1980.[568] Accordingly, Ben-Menashe's unsubstantiated testimony is not credible.

(ii) Houshang Lavi

International arms dealer Houshang Lavi first claimed in 1988 to have been the unidentified "Iranian" at the meeting.[569] He claimed to have initiated contact within the Reagan-Bush campaign via James Baker, III, who referred him to Silberman.[570] As a result, Silberman, Allen and McFarlane allegedly met at the L'Enfant Plaza to discuss the release of the hostages. Lavi made no mention of Ben-Menashe.[571]

Lavi had contacted the John Anderson campaign via his attorney, Mitchell Rogovin,[572] but Anderson refused to meet with him and advised him to go to President Carter.[573] As a result, Lavi was put in contact with State Department officials and claims to have travelled to Washington 53 times in two months to convince those officials that the way to achieve the release of the hostages was by selling Iran spare parts.[574] Lavi claims he grew frustrated, and made contact with the Republicans and made the same proposal to them, *i.e.,* the hostages would be released in exchange for F-14 parts. His offer was rejected and he was told the Reagan campaign was already "in touch with the Iranians." [575]

Curiously, Lavi provided Barbara Honegger with the same note referenced above.[576] According to Honegger, Lavi told her in June 1988 that he was the unidentified foreigner cited in the 1987 Miami Herald story, and in January 1989 he provided her with the note. At neither time did Lavi mention Ben-Menashe.[577] When in the spring of 1989, Lavi contacted various journalists and claimed to be the "unidentified" person at the L'Enfant Plaza meeting, he provided copies of the same note that he had provided to Honegger.

Mitchell Rogovin's testimony and records undercut his former client's credibility and the authenticity of the note. According to Rogovin, Lavi came to him in late September with a proposition he believed might succeed in getting the hostages released. Because of his position with the Anderson campaign,[578] Rogovin was keeping a contemporaneous diary detailing, among other things, his contacts with Lavi during this period.[579] Rogovin's recollection was that Lavi contacted him regarding the hostages on September 29, 1980, and told him "we can get the 52 hostages if we give them spare parts and oil." [580] Rogovin testified that he believed that if they could assist the Carter Administration in getting the hostages back, it would bring great credit to the Anderson campaign.[581] Consequently following his initial contact with Lavi he contacted CIA personnel.[582]

On September 29, he arranged for a meeting between Lavi and CIA officials on Thursday, October 2 in Washington, D.C. They met for 45 minutes with a CIA officer, but the interview was "not well focused." [583] Rogovin had also scheduled a meeting with CIA Director Stansfield Turner for October 5, and when Lavi asked Rogovin's "permission to go public", Rogovin told him there was no reason to do so before the meeting with Turner.

At the meeting on October 5, Rogovin told Turner he was "very surprised with the declination of the Lavi offer," prompting Turner to indicate that he would be in touch.[584] Rogovin's October 6 entry revealed that Lavi had spoken to Diane Sawyer of CBS as well as "Robert Carter (Reagan camp/not interested)".[585] Rogovin testified that he was surprised that Lavi had not spoken to him prior to talking to these people but added that Lavi was frustrated that there was no interest in his proposal.[586]

On October 8, Lavi met with Harold Saunders at the State Department in Washington and they were later joined by Roberts Owen and Peter Constable. Rogovin's notes indicate that "after a little fencing, it was apparent that [Saunders] knew more than Turner and was on top of the matter, he sought to understand how the swap would be pulled off." [587] On October 9, Saunders wrote to Warren Christopher, ad-

vising that pursuant to Christopher's request, Rogovin, Frye and Lavi had met to discuss Lavi's proposal that the United States agree to a specific list of spare parts for Iranian F-14s to be sent to Iran "as part of an overall agreement which would produce the release of the hostages." [588] Saunders advised that he was not impressed with Lavi and recommended that they tell Rogovin they were interested but that they had their own channels open and could not "afford to cross lines" at that moment.[589]

On October 15, Lavi and Rogovin again met with Saunders, Roberts Owen and Peter Constable. Lavi and Rogovin expressed their disappointment that the State Department was not moving quickly. Rogovin noted in his diary that "Lavi want[ed] to bring the matter to Reagan" and that he told him he would not be opposed "if [they] felt it was going nowhere." [590] Rogovin thinks it unlikely that Lavi would have made that statement on October 15 if he had significant dealings with Reagan campaign personnel earlier in the month.[591]

When the State Department made inquiries about Lavi's bona fides, they received a message from a friendly ambassador in Tehran.[592] He said Bani-Sadr had told him Lavi had no authority to speak on Bani-Sadr's behalf.[593] Saunders advised Rogovin on October 21 of Bani-Sadr's statement and that the State Department believed no Iranian had the authority to negotiate until the Majlis made a decision on and designated a specific negotiating channel.[594]

Lavi's version of events, which first emerged after news reports of the L'Enfant Plaza meeting, is internally inconsistent.[595] He claims to have initiated his October 2 contact with the Republicans after he became frustrated with the State Department yet he did not meet with anyone from the State Department until October 8. Moreover, it is unlikely that having kept Rogovin advised of his every movement, he failed to mention the October 2 meeting, a meeting that he alleged, occurred the same day he met with the CIA.

The Task Force has concluded that the note is spurious for the following reasons. As stated elsewhere, the L'Enfant Plaza meeting with Allen, Silberman and McFarlane occurred on September 10, not on October 2, 1989. Lavi's attorney Mitchell Rogovin, who maintained daily telephone or personal contact with Lavi in the fall of 1980, has contemporaneous records showing that Lavi was meeting with him on October 2, 1980 and not at the L'Enfant Plaza. Moreover, the note's content undercuts its authenticity. Despite the fact that Lavi claimed to have written the note after the meeting, the first clause is written in the future tense: ". . . to meet Silberman, Allen Bob McFar[lane]." Alternatively, because it apparently was written before the meeting took place, the author could not have known that Silberman would attend the meeting because, as discussed below, Silberman's presence at the meeting was unannounced and unplanned.

Finally, none of the three participants whose testimony is summarized below identified Lavi as the "Iranian". Moreover, the Task Force is mindful that information about the participants and meeting location were in the public domain before accounts by Ben-Menashe and Lavi surfaced. It is therefore worth noting that the only commonalities contained in these accounts are the names of the other participants and the location of the meeting. Thus, Lavi's unsubstantiated account is not credible.[596]

c. The Meeting

The testimony of the Republicans who attended the L'Enfant Plaza meeting, taken as a whole, establishes that neither Ben-Menashe nor Lavi attended the meeting, and that the meeting did not relate to any October Surprise allegations. Variations however in the testimony of the three Republican participants remain. In the opinion of the majority, those differences raise additional questions both about the arrangements for the meeting and the failure of any participant to report it to the Carter Administration. The minority, on the other hand, believes that considering the nature and content of the conversation and the state of Allen, Silberman and McFarlane's pre-meeting knowledge, there was nothing improper about either their attendance at the meeting or their decision not to report it to the Carter Administration.

(i) Robert McFarlane

McFarlane was first interviewed concerning the meeting in December 1988.[597] McFarlane told the FBI that in August 1980, an "Iranian national," whose name he did not recall, con-

tacted Senator Tower's office and indicated that he represented the Iranian government and wished to meet with people in the Reagan/Bush campaign.[598] After discussing the matter with Rhett Dawson, Minority Staff Director of the Senate Armed Services Committee, McFarlane and Dawson told Senator Tower about the individual. He instructed McFarlane to meet with the "Iranian" to determine his credibility.[599]

McFarlane did not meet alone with the "Iranian," instead he set up a meeting with Allen at the L'Enfant Plaza. Silberman accompanied Allen to the hotel where the Iranian "superficially spoke of developing a stable dialogue with the new administration and of the possibility of a release of the hostages." [600] No further details were discussed regarding the individual's authenticity as a representative of the "Iranian regime" and he was told he should deal with the Carter Administration. McFarlane told the FBI he did not contact the White House nor did he know of anyone who did.[601] Finally, he told the FBI that he, Allen and Silberman did not consider the Iranian to be a legitimate representative of the Khomeini regime.[602]

More recently, McFarlane testified that when he spoke with Senator Tower and Rhett Dawson about the "danger" of talking to people who claim to speak on behalf of Iran, the three exchanged a comment that "people that say they speak for the Iranians are suspect per se." [603] Accordingly, Senator Tower did not have any great expectations that this contact would "go anywhere in the sense of advancing U.S.-Iranian relations or solving any problems at all." [604] Nevertheless Tower asked him to contact Richard Allen.[605] Allen said he was willing to meet with the man, and at the man's request, the meeting was arranged by McFarlane at the L'Enfant Plaza Hotel.[606] On the appointed day, McFarlane went to Allen's office where he and Allen were joined by Laurence Silberman, and they drove over to the hotel, where the man was waiting in the lobby.[607]

During the meeting the man did not identify himself as an Iranian; McFarlane said he simply assumed that he was.[608] McFarlane added that he appeared to be a Middle Easterner. The individual implied that he was speaking on behalf of the Khomeini regime and that it was in Iran's interest for relations between Iran and the United States to be normalized, but did not state any basis for his authority vis-a-vis Khomeini.[609] He wanted to talk about United States-Iranian relations in the event Reagan was elected president.[610] Although he said he could influence the fate of the hostages, he made no specific proposal except to say that returning relations to normal would have to include release of the hostages.[611] At the mention of the hostages, Silberman cut off the conversation, saying "we have only one government at a time." [612] The conversation lasted about fifteen minutes. McFarlane testified that after the meeting, the three Americans spoke and agreed that the man was not "a person of substance" and that Silberman "had done the right thing." [613]

McFarlane was shown a photograph of Ben-Menashe and a videotape of Lavi. He said that neither man was the "Iranian" with whom he met.[614]

(ii) Rhett Dawson

Rhett Dawson recalled that a "Middle Easterner" contacted Senator John Tower's office to talk about the hostages and hostage transfers in September 1980.[615] Dawson did not personally meet him and was not aware of his name, but he recalled being told that the individual mentioned his links to Khomeini.[616] Dawson speculated that the initial call may have been handled by a secretary or perhaps by Tower's administrative aide.

Dawson spoke to Tower about the "Iranian" contact, and Tower said McFarlane, an Armed Services Committee staffer, should get the Republican campaign involved.[617] McFarlane contacted Richard Allen. Dawson heard nothing further about the meeting until afterwards, when McFarlane reported back to Dawson that the individual had not seemed credible, had lacked credentials and had nothing to offer.[618]

(iii) Laurence Silberman

Laurence Silberman, who is on the record concerning the meeting as early as 1986, wrote a letter to the editor of the *Miami Herald* on September 1, 1987 seeking to correct the Chardy article. In the letter Silberman sets forth in detail his recollection of the meeting and what he viewed as misimpressions in the article. The relevant portion is as follows:

As I recall, and as I told your reporter, the meeting took place in September, not October, of that year under the following circumstances. I, then living in San Francisco, was in Washington for several meetings, one of which was a morning session of some of Ronald Reagan's foreign policy advisers at Mr. Allen's office. At the end of the meeting, Richard Allen asked whether I could join him at another meeting at the L'Enfant Plaza hotel. He explained that Bud McFarlane, who was on the Senate Armed Services Committee Staff, wished him to meet with someone who might have some information about the hostages and he would feel more comfortable if I, a lawyer and once the Deputy Attorney General of the United States, could accompany him. This was about noon and I was scheduled for an afternoon plane back to San Francisco so I agreed to join him. We drove to the hotel and went to the lobby where we met Mr. McFarlane and the other person. (It was hardly as you described a "secret" meeting). Neither I nor Dick Allen can remember the name of the person Bud McFarlane brought to the hotel. As I told your reporter he might have been a North African rather than an Iranian; whereas Dick Allen remembers him as an Iranian living in Egypt. He was not—and of this I am quite sure—an officer or official of the Iranian government. He did, however, purport to have contacts with Khomeini's subordinates and suggested the prospect of gaining release of the hostages if they could be released to representatives of candidate Ronald Reagan rather than President Jimmy Carter. As soon as what he had in mind became apparent, Dick Allen and I completely and decisively cut off the discussion without any further efforts to determine his bona fides. I told him, as your first story reported, that we Americans have only one President at a time and that any dealings concerning the hostages would have to be with the Administration. Dick Allen agreed. We then left the meeting and I flew back to San Francisco that day never hearing any more about the matter.

In addition, Judge Silberman was also interviewed by the FBI in December 1988 during the background investigation of Senator Tower.[619] This earlier account is consistent with his letter to the *Miami Herald* and his recent testimony that he attended a meeting of Reagan campaign foreign policy advisors at Allen's office sometime in September 1980. During that meeting, Allen advised Silberman that Bud McFarlane had somebody who wanted to see Allen with information concerning the hostages, and asked Silberman to attend the meeting with him.[620] Silberman has stated repeatedly and consistently that he had no reason to believe that the man he would be meeting was either an Iranian or a representative of the Iranian government.

When they arrived at the lobby of the L'Enfant Plaza Hotel, McFarlane and the individual they were to meet were already there; no one else was present.[621] While Silberman could not recall the individual's name, he remembers that he claimed to be connected to the Shah and had been in Egypt. He also testified that while uncertain of the individual's nationality, he had the impression the individual was a Moroccan or "some kind of North African." [622]

As to the contents of the discussion, Silberman testified that the individual said the Khomeini regime was unrelentingly hostile to the Carter Administration, but that Khomeini might be induced to release the hostages to the Reagan campaign.[623] Silberman recalled that he immediately replied that "we Americans have one President at a time" and that "if you have any matter you want to take up concerning the hostages, take it to the Carter Administration." [624] He said that Allen "agreed that we would have nothing to do with this, we being the Reagan campaign, and the conversation trailed off rather quickly and we left." [625] Outside of the hotel, Silberman advised Allen to write a memorandum to the file.[626] He explained that the rationale for requesting the memorandum was to protect the campaign against a false charge that campaign officials had met with Iranians regarding the hostages.[627] Following the meeting, Silberman re-

called going to lunch, probably alone, at the Golden Ox in Washington, D.C. The receipt for lunch is dated September 10.[628]

Judge Silberman had seen a photograph of Ari Ben-Menashe at the time he was interviewed by the FBI and he testified that he had never seen him before.[629] Judge Silberman also testified that he had seen a picture of Lavi and did not recognize him either.[630]

(iv) Richard Allen

As noted above, Allen first discussed the L'Enfant Plaza meeting publicly in an article in the *Miami Herald* in April 1987.[631] Allen described as "absolute bologna" the suggestion that a deal was struck between the Reagan campaign and Iran on a coordinated release of the hostages. "As reported by Chardy, Allen also denied that the Reagan campaign people ever discussed any arms deal with Iran." [632] Chardy reported, but did not quote Allen as saying, that at McFarlane's behest Allen met at the L'Enfant Plaza with a man who allegedly represented the Khomeini regime.[633] Chardy also reported that Allen indicated that he could not recall if the individual was Iranian, Egyptian, Tunisian, or Moroccan.[634]

In 1990 Allen testified during the trial of Richard Brenneke. Allen, who had not yet found the memorandum of the meeting at the time he testified, stated that he did not know that the meeting would concern the hostages held in Iran, but asked Silberman to accompany him as a witness in the event the topic of the hostages came up.[635] Allen testified that he was still unsure whether the emissary was Iranian or Egyptian.[636]

Nearly a year later, Allen appeared on the PBS–TV *Frontline* program. At that time, he recalled that he was introduced to an individual that was "either an Egyptian or an Iranian or could have been an Iranian living in Egypt [with] the capacity to intervene to deliver the hostages to the Reagan forces.[637]

In 1992 Allen testified before the Senate Foreign Relations Subcommittee investigating October Surprise allegations. On the eve of his testimony, Allen located the memo he had written regarding the meeting.[638] After reviewing the memo, he testified that when Michael Butler contacted him he agreed to meet with the man whom he believed wanted to discuss the Middle East, not Iran, and invited "one of [the Reagan campaign's] key policy advisors," Laurence Silberman, to the meeting.[639] Allen explained that he went to the meeting because Butler had called on behalf of Tower, and that "when Senator Tower asked [him] to do something, [he] did it." The memo, which Allen claims describes his recollection of the meeting in detail, reads as follows:

> Today at 11:42 *Mike Butler, Senator Tower's office called me to ask me if I could meet with him to discuss a confidential matter. Subsequently, at about 12 o'clock he and Bud McFarlane came to the office and we drove back down to the Hill.*
>
> *On the way, they told me about their meeting with a Mr. A.A. Mohammed, a Malaysian who operates from Singapore and who came to them via an old friend of Senator Tower's.*[640] Mr. Mohammed is apparently influential and/or active in the Islam religious movement.
>
> *This afternoon, by mutual agreement, I met with Messrs. Mohammed, Butler and McFarlane. I also took Larry Silberman along to the meeting.*
>
> As it turns out, Mr. Mohammed claims to have a scheme which has ostensibly received the approval of Ayatollah Khomeini to release the hostages once the son of the Shah's returned to Iran and installed as a figurehead monarch. Larry and I indicated our skepticism about the possibility of such an exercise, specially since it also involves the release of the hostages. We repeatedly stressed that we could (sic) nothing to interfere in the matter, and that we placed a high value on the national interest. We indicated that if he were to come to us after the election, providing we were successful, we might be able to be of some assistance to him in this effort. However, for now, the question of the release of the hostages is wholly within the hands of President Carter and the Administration, as it properly should be.
>
> Mr. Mohammed indicated that he and other Moslems are terribly disap-

pointed by the Carter Administration, and claimed that Carter had "let us down time and time again." He was very vehement in his denunciation of the Carter Administration. However, we explained that while we share our distaste for the Carter Administration, the matter of the hostages is one affecting the national interest and therefore could not be made subject to partisan devices.

Both Larry and I indicated that we would be pleased to hear whatever additional news Mr. Mohammed might be able to turn up, and I suggested that the information be communicated via a secure channel. One of the questions that we had about the scheme was more or less resolved: we wanted to know why this information had not been taken to the Administration, and he indicated that he and his group have no faith in the Carter Administration's sincerity or integrity. We suggested that this was a matter for their judgment, but that in the context of the hostage matter we could not become active in the slightest.[641]

The underlined portions of the memo are in some conflict with the testimony of McFarlane and Silberman. Neither recall that the emissary was Malaysian, although neither ruled out that possibility.[642] Both McFarlane and Silberman testified that Michael Butler did not participate in the meeting.[643] McFarlane had no recollection of a proposal to release the hostages once the Shah's son had been installed on the throne, and said that he did not believe that proposal was made.[644] Silberman did not recall any mention of the son of the Shah, as described in Allen's memo. However, he did recall that the emissary was a "monarchist" who claimed to have close ties to the Shah.[645] Finally, neither McFarlane nor Silberman have any recollection of Allen suggesting to the emissary, as noted in Allen's memo, that any additional information "be communicated via a secure channel."[646] While Allen testified that the idea of Khomeini's releasing the hostages upon the return of the Shah's son struck him as "absurd," he stood by the account in his memo claiming that it had been written contemporaneously. In the final analysis, while he could not account for the discrepancies between his memo and the recollections of McFarlane and Silberman, he noted that he has been on the record for years as trying to find the memo, and as being the one who revealed the existence of the memorandum.[647]

Allen was shown a photograph of Ben-Menashe and a videotape of Lavi. He said that neither man was the person he met at the L'Enfant Plaza Hotel.[648]

(v) C. Michael Butler

Butler served as Senator John Tower's administrative assistant in 1980. In an interview with Task Force staff, Butler said he had no recollection of having been involved in any way in the L'Enfant Plaza meeting.[649] Butler said the name "A.A. Mohammed" sounded vaguely familiar but he had no specific recollection of a friend of Senator Tower's having referred this man to him.[650] Butler stated that he has, separately and under various circumstances, met Allen, McFarlane and Silberman.[651] Butler said he dealt with Allen during the drafting of the 1980 Republican platform, and believes he met Silberman some time before 1980; he dealt with McFarlane on a regular basis in the Senate.[652]

2. Conclusion

As previously noted, the L'Enfant Plaza Hotel meeting differs from other October Surprise allegations in that a meeting clearly occurred between senior advisors to the Reagan/Bush campaign and a source who discussed the possibility of inducing Khomeini to release the hostages to the Republicans. The overwhelming weight of credible evidence, however, suggests that the meeting was not part of a series of meetings that began at the Mayflower Hotel in Washington and progressed through Madrid and Amsterdam and back to Washington. Rather, it was a stand-alone meeting generated by a supporter of Senator Tower. The accounts provided by McFarlane, Allen and Silberman are consistent and credible as to why the meeting occurred and what transpired. The unsupported accounts by Ari Ben-Menashe and Houshang Lavi are mutually inconsistent, contrary to documentary evidence, and not credible.

Judge Silberman's account of the L'Enfant Plaza meeting has been consistent from his ini-

tial account to William Safire, through his correspondence with the *Miami Herald,* to his testimony before the Senate and interviews by the Task Force. Documents regarding his travel and expenses demonstrate that he was in Washington on September 10, 1980, and not on October 2, 1980. McFarlane essentially corroborates Silberman's account and although Allen's recollections conflict in some specifics, they are consistent as to the majority of information provided.

The nationality of the foreigner with whom the Republicans met has been a lingering question surrounding the October Surprise story, in part because Richard Allen until recently had not been able to locate the memorandum he had written about the meeting. Thus for many years Allen, for example, had recalled that the individual was an Iranian, only to learn later that he had characterized him in his memo as a Malaysian. McFarlane, on the other hand, had always recalled him to be an Iranian. Silberman, by contrast, never thought he was an Iranian but rather was a North African, possibly from Morocco. In any event, Allen and Silberman have always said that they did not know or have reason to believe that he was either an Iranian or a representative of the Iranian government *prior* to their attending the meeting. Moreover, all three have always agreed that *after* meeting with the individual, none of them thought he was a representative of the Iranian government.

Both Ari Ben-Menashe and Houshang Lavi disagree with these credible witnesses as to why the meeting took place, who was present and what the detailed subject matter was. From the timing of their first revelations about the meeting, it is apparent that they blended the L'Enfant Plaza meeting into their October Surprise tale after newspaper articles appeared concerning L'Enfant Plaza. Moreover, Mitchell Rogovin's detailed contemporaneous diary entries regarding his contacts with Lavi make it appear unlikely that Lavi would have been meeting with the Republican trio on October 2, 1980, and virtually unbelievable that he would not have reported to Rogovin if not before, then certainly after the meeting.

In the opinion of the Majority certain discomforting aspects of the L'Enfant Plaza episode remain. Some have questioned why a United States Senator would refer an individual with information about the American hostages to a political campaign rather than the administration constitutionally tasked with handling the crisis. Based upon conflicting information as to what was known when the source first presented himself to Senator Tower's staff, no meaningful conclusion can be reached as to this aspect.

A second issue of concern to the Majority is the failure of any of the Republican attendees at the L'Enfant Plaza meeting to report what had occurred to the administration. This is particularly so of Richard Allen, who was the chief foreign policy advisor to the Reagan campaign and in regular contact with members of the Carter administration on a variety of issues.[653] The Majority believes that the three Republicans who attended the L'Enfant Plaza meeting were in no position to evaluate the information being provided and its impact on either Iran's or the United States' negotiating options or the fate of the hostages.

If, as they testified, they were not in possession of contemporaneous intelligence information regarding the status of the hostage negotiations, they had no capacity to determine whether the proposal, no matter how absurd they believed it to be, made sense in the context of ongoing efforts to release the hostages. While the Republican attendees may not have inquired into the foreigner's bona fides for fear of creating the impression they were interested in his proposal, that lack of knowledge further solidified their inability to judge the proposal. Mr. Silberman's commendable statement that the United States has only one President at a time only serves to reinforce the Majority's position that this contact should have been reported to representatives of that President.

On a more practical level, the Majority believes that if Republican campaign officials or Senate staffers had reported this contact to the administration, the L'Enfant Plaza meeting would never have become part of the October Surprise literature. Because it provided a touchstone for October Surprise-related allegations by both Ben-Menashe and Lavi, it clearly gave impetus to the idea that the Reagan campaign was at best trolling for information about the release of the hostages and at worst trying to effect the release. Early reporting of the L'Enfant Plaza incident might have relegated

much of the October Surprise story to the "backwaters" of conspiracy theories. The failure to report the incident made it possible for Ben-Menashe, Lavi and others to take this incident and twist it to fit their own purposes.

The Minority Members, on the other hand, disagree with the Majority and conclude that in light of the nature and contents of the conversations at the L'Enfant Plaza meeting, these individuals were not required by any objective standard to bring that information to the attention of the U.S. Government. Moreover, the Minority Members do not believe that their failure to do so constituted an "action" to keep the conversation from the U.S. Government.

The basis for the Minority's position coincides in large part with Judge Silberman's detailed explanation of why he believed it was not appropriate for them to report the meeting to the Carter Administration. Essentially, Judge Silberman states that based on the fact that the foreigner with whom they were meeting had no bona fides as either an Iranian official or a representative of Iran, and had indicated an unrelenting hostility towards the Carter Administration, it was inconceivable to him how bringing such an individual to the attention of the Carter Administration could possibly have been of any value.[654] Moreover, Judge Silberman pointed out that for them to have inquired into the foreigner's bona fides and his supposed Iranian connections would have given that individual the false impression that they actually were interested in pursuing this overture with him after having told him that any such hostage-related discussion should be brought to the attention of the Carter Administration. Indeed, as Richard Allen further testified, his own reaction to the foreigner's statements was that they were so bizarre and preposterous that to call National Security Adviser Brzezinski or Assistant Secretary Saunders would have been a total waste of time. Finally, as Allen also pointed out in his Task Force deposition, if campaign officials had to inform an administration every time someone brought a preposterous scheme or rumor to its attention,[655] those officials would be constantly on the phone and would ultimately become a laughing stock in the eyes of their counterparts.[656]

Thus, the Minority Members believe that it would have been an unreasonable and unwarranted expectation for senior foreign policy advisors, such as Allen and Silberman (or even a staffer like McFarlane), to have had to bring to the attention of the administration a person so lacking in legitimacy and proffering so bizarre a proposition. In addition, the Minority members, contrary to the Majority's belief, find it inconceivable that if this meeting had been reported to the administration it would have had any muffling effect in the long run on the creative imaginations of Ben-Menashe, Lavi, or any of the other principle proponents of the October Surprise myth.

H. Alleged Dinner Between Edwin Meese and Cyrus Hashemi

In 1991, it was reported that Edwin Meese had dinner at the home of Cyrus Hashemi in Wilton, Connecticut in December 1980.[657] This allegation was made by Robert McQueen, a former agent of the Immigration and Naturalization Service (INS).

In mid-1980, the INS conducted an investigation of an individual who was selling unofficial resident alien "green cards" to Iranians. The INS believed that Homa Hashemi, Cyrus Hashemi's wife, had purchased an unofficial "green card" from this individual in the past and asked her to cooperate in a sting operation to gather evidence on the target of that investigation by attempting to arrange to purchase one of the "green cards." [658]

Subsequently, Mrs. Hashemi placed telephone calls to the target from her home in Wilton, Connecticut while INS agent Robert McQueen monitored the telephone calls.[659] McQueen told the Senate that on December 22, 1980, Mrs. Hashemi asked him to stay for dinner.[660] McQueen also specifically recalled that Cyrus Hashemi was present at the home when Mrs. Hashemi extended the invitation.[661] According to McQueen, Hashemi told him that Edwin Meese was to be a special guest for dinner.[662] McQueen told the Senate Special Counsel that he declined the invitation because he did not think it would be appropriate to have dinner with Meese as Meese was slated to be his new "boss," *i.e.*, Attorney General.[663] Meese, however, was not nominated to be Attorney General until 1984.

McQueen recalled that he reported the invitation to his supervisor, James Dorcey, who also generally recalled McQueen reporting the invitation.[664] However, Dorcey recalled McQueen reporting that Cyrus Hashemi extended the invitation.[665] McQueen also claims that he reported the invitation to the prosecutors who were coordinating the "green card" investigation. The Task Force has spoken to those prosecutors and none recalls McQueen reporting the invitation.[666]

The Reagan-Bush campaign operations center logs indicate that at 11:15 p.m. on December 22, Richard Wirthlin called to speak with Meese and that Meese and Casey were dining together at an undisclosed location.[667]

The FBI surveillance tapes of Cyrus Hashemi, clearly indicate that Hashemi was in London from December 18 to December 24 and could not have been present either to extend an invitation or to eat dinner at his home with Meese. The Task Force knows of no reason for Meese to dine with Mrs. Hashemi when her husband was not present.

Homa Hashemi testified under oath that she has never met Meese, that "Mr. Meese has never, ever come to [her] house", that she never told anybody that Meese was going to be a dinner guest, and that McQueen's statement as quoted in the press was an "absolute lie".[668]

Mr. Meese denied under oath that he has ever been to the Hashemi home or to Wilton, Connecticut.[669] Individuals employed at the Hashemi residence, family members, and family acquaintances similarly have no recollection of Meese ever being a guest at the home.[670] In sum, the vast weight of the evidence refutes McQueen's allegation that Meese met with Hashemi at his home, and there is no credible evidence to support McQueen's allegation.

I. Meeting at Sherry Netherland Hotel in New York

1. The Allegations

Another allegation of contact between Republicans and Iranian officials during the 1980 election cycle is Jamshid Hashemi's account regarding a meeting in New York after the election. According to Gary Sick's account in *October Surprise,* Jamshid alleged that his brother Cyrus organized a meeting at the Sherry Netherland Hotel in New York in mid-January "between members of the Reagan transition team, Iranian representatives, and at least one Israeli." [671] Sick's discussion of this meeting is based exclusively on information from ABC News Nightline producer Tara Sonenshine, who interviewed Jamshid Hashemi about the alleged meeting on January 1, 1990.[672]

At the meeting, the Republicans allegedly told the Iranians that "the deal was off" unless the hostages were released by Reagan's inauguration on January 20, 1981.[673] Subsequently, according to the allegation, "radical mullahs" brought pressure to bear on Behzad Nabavi to resolve the crisis before January 20. As a result, on January 15, Iran reversed its position regarding the payment of its outstanding loans.[674]

2. Conclusion

The Task Force has found no evidence—credible or otherwise—to support this allegation.[675] In fact, Jamshid Hashemi now disavows ever making the allegation. At his deposition, he denied telling Tara Sonenshine about a meeting at the Sherry Netherland Hotel, denied that he had any knowledge of such a meeting, and called the allegation "[a]bsolute rubbish." [676]

J. Other Possible Contact Between Casey and the Hashemi Brothers

1. John Shaheen: An Intermediary?

One of the subplots that has featured in allegations that the 1980 Reagan campaign had contact with the Iranian government is the allegation that this contact was facilitated by John Shaheen, an American businessman who knew both William Casey and Cyrus Hashemi. Gary Sick has written that Shaheen "served as the contact point between the Iranian expatriate banker and the Republican campaign chairman. It may have been Shaheen who put Casey in touch with the Hashemi brothers in early 1980." [677] Arif Durrani reportedly has alleged that it was Shaheen who established the contact

between Casey and Cyrus Hashemi which lead to the alleged meetings in Madrid in the summer of 1980.[678] Houshang Lavi reportedly told journalists Robert Parry and Robert Ross that Shaheen was the contact point between Casey and Hashemi, and that Lavi heard Shaheen's name mentioned when Lavi allegedly was in Paris with Cyrus Hashemi in October 1980.[679] And Jamshid Hashemi reportedly told German journalist Martin Kilian that Shaheen, Cyrus Hashemi, Adnan Khashoggi, and others were involved in an alleged offer of arms to Iran by the Reagan campaign subsequent to the July 1980 meeting in Madrid involving Stanley Pottinger.[680]

a. Who Was John Shaheen?

John Shaheen was a New York-based entrepreneur who had a long and successful career in the oil business.[681] Shaheen, who died in 1985, also had a life-long interest in the intelligence field, having served in the Office of Strategic Services (OSS) during the Second World War and in the Office of the Secretary of the Navy, where he was involved in counterespionage operations.[682] According to those who knew him well, he was also partial to a brand of American patriotism that by today's standards would seem old-fashioned.[683] In this regard, Shaheen combined his fascination for the intelligence world with his myriad business activities over the course of his career.

In early 1976, Shaheen suffered a major business reversal when a refinery he had constructed in Come-by-Chance, Newfoundland, was forced into bankruptcy, leaving $600 million in debt and spawning extensive litigation.[684] During the next several years, Shaheen attempted unsuccessfully to regain control of the refinery.[685]

1980 was a particularly difficult year for Shaheen. In July, the trustee of the bankrupt refinery won a $50 million judgment against Shaheen and his company, Shaheen Natural Resources, based on unsecured loans made by the refinery to other corporations headed by Shaheen before the refinery went bankrupt.[686] In late October, the bankruptcy trustee tried to obtain Shaheen's half-interest in his estate in Southampton, New York.[687] October 1980 also saw Shaheen's son Bradford fail in a bid to purchase the refinery from Peat Marwick Ltd., the refinery's receiver and manager.[688]

At his deposition, Bradford Shaheen described the situation confronted by his father in 1980, testifying that the elder Shaheen "was . . . caught up in trying to survive his own problems," which included "total lack of funding, major, aggressive well-funded litigation against him and threats to act against him by the opposing counsel to force him to pay the judgment that was existing against him."[689] In essence, the younger Shaheen testified, 1980 was a year in which his father "was focusing on surviving a disastrous business situation."[690]

b. Shaheen's Relationship with Casey

Shaheen first met William Casey in the OSS during the Second World War.[691] Casey and Shaheen maintained their friendship after the war and frequently socialized with each other.[692] A particular source of contact between Casey and Shaheen was their affiliation with the Veterans of the Office of Strategic Services (VOSS), an organization in which they both played prominent roles.[693]

Casey and Shaheen apparently had limited contact in a business context.[694] Roy Furmark, who worked for Shaheen from 1966–1976, testified that Casey, acting as Shaheen's lawyer, accompanied Shaheen and Furmark on a trip to Kuwait in 1976 in an effort to entice the Kuwaiti National Petroleum Corporation to invest in the Newfoundland refinery and thereby help Shaheen avert the loss of the refinery.[695] On another occasion, Shaheen asked Casey for advice regarding potential partners for a New York newspaper business that he was trying to establish.[696]

c. Shaheen's Relationship with Cyrus Hashemi

According to statements he made to the FBI, Shaheen met Cyrus Hashemi in late 1979 or early 1980 at Hashemi's office in New York.[697] At the time, Shaheen was seeking contracts to purchase crude oil for processing by his refineries, and Hashemi had been identified to Shaheen as someone with good contacts in the oil communities in Iran, Nigeria, and Tunisia.[698] Following their introduction, Shaheen solicited Hashemi's assistance in securing contracts to purchase crude oil.[699]

In 1980, Cyrus Hashemi assisted Shaheen in his bid to regain control of the Newfoundland

refinery. According to O. Jackson Cook, an attorney who also assisted Shaheen in this effort, Hashemi assembled a group of investors who made money available to Shaheen to bid on the refinery.[700] The FBI's electronic surveillance of Cyrus Hashemi confirms that Cyrus and Shaheen were in contact in late 1980 regarding the Newfoundland refinery.[701]

Shaheen also assisted Cyrus Hashemi in various ways. For example, Shaheen made his office in London available to Cyrus.[702] According to Jamshid Hashemi, Shaheen also helped to obtain a U.S. visa for Jamshid in London in late December 1979, thereby enabling Jamshid to travel to the United States and meet in early January 1980 with U.S. Government officials.[703]

The degree to which Shaheen and Cyrus Hashemi enjoyed a friendship beyond their business relationship is uncertain. Maureen McPartland Brokaw, Shaheen's long-time former secretary, informed the Task Force that Hashemi was merely a business associate of Shaheen's, not a social friend.[704] In her view, the driving force behind the relationship was the fact that Shaheen was financially strapped and Hashemi could be of assistance in securing loans.[705] O. Jackson Cook, an attorney who worked with both Shaheen and Hashemi in connection with the Newfoundland refinery, testified that the two men had "a wary friendship."[706] On the other hand, William Sherman, Cyrus Hashemi's London office manager, thought the friendship between the two was very close.[707]

d. Shaheen's Interest in the 1979–81 Hostage Crisis

The Task Force obtained credible documentary evidence that John Shaheen pursued a scheme to free the American hostages in Iran. According to CIA documents, Shaheen approached the Carter White House in late December 1979 with a proposal to rescue the hostages.[708] The rescue operation was to be directed by former Iranian Army General Oveissi, then living in New York, and executed by a cadre of 100 Iranians supposedly in place in Tehran.[709] The White House, in turn, brought the matter to the attention of the CIA.[710]

During the next few weeks, Shaheen continued to press his proposal on the CIA. The CIA official designated as the Agency's liaison to Shaheen had several telephone conversations with Shaheen, many of which were initiated by Shaheen.[711] Shaheen indicated to the Agency official that he himself had "cooked up" the attempt to reach the Iranian general in order to resolve the hostage crisis.[712] Although the Agency official found Shaheen's proposal "well-intentioned," he sought to dissuade Shaheen from pursuing the idea further by explaining to him various operational and political problems that made the plan impractical.[713] By late January 1980, Shaheen's CIA interlocutor apparently persuaded Shaheen to drop the matter.[714]

Shaheen re-contacted the CIA in late April 1980 following the failed rescue mission by the Carter Administration. According to CIA records, Shaheen expressed his desire to meet again with Agency officials and offer his ideas on how to free the hostages.[715] As before, Shaheen apparently was trying to obtain a hearing for his ideas by using his contacts with Griffin Bell and Charles Kirbo.[716] The Task Force found no evidence that the CIA accorded Shaheen such a hearing, that the Agency tried to implement any of Shaheen's ideas, or that Shaheen was subsequently in contact with the CIA regarding the hostages in Iran. Nor did the Task Force find any evidence that Shaheen was in contact with William Casey or Cyrus Hashemi regarding his approaches to the CIA.

The Task Force did find evidence, however, that Casey probably was aware of Hashemi prior to becoming DCI, and that it was John Shaheen who first brought Hashemi to Casey's attention.[717] In February 1984, two FBI agents interviewed Shaheen in connection with the criminal investigation of Hashemi by the Department of Justice. The FBI's report of this interview, in pertinent part, states the following:

> Shaheen stated that *he mentioned* [*Cyrus*] *Hashemi to persons in the CIA* because during the course of Shaheen's contact with Hashemi he determined that Hashemi might be able to play some role in either alleviating the hostage crises [sic] in Iran or in establishing a dialogue with the [Khomeini] government and the United States. *He stated that he made these contacts including a contact with Director William Casey of the CIA on a strictly voluntary basis, acting on his own at all times without prompting from*

Hashemi or [anyone] connected to Hashemi. He emphasized that as a businessman and a political realist he was aware that sooner or later, despite the Iranian hostage crises, the United States would have to engage in some type of relationship with Iran and believed that Hashemi might play some type of role in establishing that relationship, however, minor.[718]

This excerpt from the FBI's report could be construed to mean that Shaheen contacted Casey during the period of the Iran hostage crisis, and that Shaheen "mentioned Hashemi to Casey at that time. It could also be construed to mean that Shaheen mentioned Hashemi to Casey after Casey had become DCI, given the statement that Shaheen "mentioned Hashemi to persons in the CIA" and the reference to Casey as DCI.

The next paragraph of the FBI's report does not fully resolve interpretations regarding whether Shaheen first mentioned Hashemi to Casey during the hostage crisis of 1979–1981, or at some later time:[719]

> Shaheen recalled vaguely that *in October of 1983 after he had a conversation with William Casey* at a date, place and time unrecalled, a conversation *wherein Shaheen explained to Casey his knowledge of Hashemi and how he thought Hashemi might have some value to the United States with regards to Iran,* Shaheen met with one of Casey's representatives who is the Chief of a Near East Branch of the CIA. Shaheen recalled that at the luncheon meeting he explained his knowledge of Hashemi and how he thought Hashemi might have some impact on the current Iranian situation.[720]

This language could be construed to mean that Shaheen did not bring Hashemi to Casey's attention until October 1983. In light of strong evidence regarding a subsequent hostage-related initiative by Shaheen, this excerpt could also be interpreted to mean that the subject of Shaheen's October 1983 overture to Casey related to Americans being held hostage in Lebanon, not Iran.[721]

The Task Force resolved any ambiguity about Shaheen's communications with Casey regarding Hashemi by obtaining sworn testimony from former FBI agent Louis Stephens, who conducted the interview with Shaheen in 1984 and authored the FBI interview report.[722] According to Stephens, Shaheen indicated during the interview that he mentioned Cyrus Hashemi to Casey approximately twice prior to Ronald Reagan's inauguration in January 1981.[723] Stephens testified that Shaheen had sought to bring Hashemi to the attention both of Casey and officials at the CIA because Shaheen believed that Hashemi had high-level contacts in Iran to whom he could pass messages on behalf of the U.S. government and thereby improve communications between Washington and Tehran.[724] Shaheen indicated to Stephens that his remarks to Casey about Hashemi were made at social encounters "nonspecific to Hashemi in which Hashemi came up as a topic of conversation. . . . Hashemi was not number one on the agenda." [725] On both occasions, Shaheen acted on his own, without any prompting by Hashemi.[726]

According to Stephens, Shaheen did not comment about Casey's reactions, if any, to Shaheen's mention of Hashemi.[727] He had a specific recollection, however, that Shaheen told him Casey never asked him to take any follow-up action regarding Hashemi, such as directing Hashemi to obtain information for Casey or setting up a meeting between Casey and Hashemi.[728] Stephens also testified that at no time did Shaheen indicate that Casey and Hashemi had direct contact with each other.[729] Nor did Stephens ever learn anything during the course of the criminal investigation of Hashemi to indicate that Casey and Hashemi had been in direct contact.[730]

The FBI's electronic surveillance of Cyrus Hashemi provides additional evidence regarding whether there was contact between Casey and Hashemi in 1980. On the afternoon of Saturday, November 8, 1980—four days after the presidential election—John Shaheen telephoned Cyrus Hashemi. The vast majority of this conversation, which lasted about fourteen minutes, concerned business matters. Toward the end of the conversation, Shaheen tells Hashemi that "Bill Casey" called him prior to the election and asked Shaheen's help to prevent ballot fraud on election day.[731] The following exchange then took place:

SHAHEEN: I called Pottinger and told him that if he needed anything from Casey during this transition period because ah—Reagan the other day appointed Casey head of the transition team.

HASHEMI: Yes, yes.

SHAHEEN: So if there is anything that is needed I said, or if Cyrus wants anything in his stuff let me know because, you know, we're one team that works together.

HASHEMI: Right.

SHAHEEN: And Stan was very appreciative and being a Washington lawyer they live on connections you know.

HASHEMI: Right, oh absolutely.

SHAHEEN: That's their game.

HASHEMI: No, I think that, you know. I would a—look forward to seeing him in the next a——

SHAHEEN: Yeah. I want you to lunch with the guy.

HASHEMI: Yeah.

SHAHEEN: I told him I was getting into a banking venture with ya, with you, and you know, what the hell you might as well have a direct one to one relationship.

HASHEMI: Right.

SHAHEEN: You know you're an old pal of mine, 35 years.

HASHEMI: Right.

SHAHEEN: Fair enough. I'm here if you want me.[732]

Assuming that Shaheen was being truthful to Hashemi regarding Shaheen's previous conversation with Casey, the conversation between Shaheen and Hashemi indicates, at a minimum, that Casey was aware of Cyrus Hashemi by early November 1980.[733] Whether this conversation indicates that there had been actual prior contact between Casey and Hashemi is open to interpretation.[734] Based upon the evidence found by the Task Force, however—and, perhaps more significantly, based upon the absence of any credible evidence to the contrary—the most logical interpretation is that Casey and Hashemi had not had any direct contact with each other at the time of this conversation.

The Task Force reached this conclusion for two reasons. First, it would make little sense for Shaheen to refer to a "direct one to one relationship" between Casey and Hashemi in the future tense if they already had direct contact with each other. Second, when listening to the tape of the conversation, the predominant impression one has regarding Shaheen's remark, "I want you to lunch with the guy," is that Shaheen wants to introduce Casey and Hashemi to each other.[735]

2. References to William Casey by Cyrus Hashemi

a. Electronic Surveillance of Hashemi

Of all the evidence reviewed by the Task Force, the conversations involving Cyrus Hashemi that were recorded by the FBI in 1980–81 are among the most probative evidence of whether Cyrus and Jamshid Hashemi had contact with William Casey in 1980. In more than 21,000 conversations recorded by the FBI—spanning nearly 1,800 hours—there is not a single indication that—William Casey had contact with Cyrus or Jamshid Hashemi.[736] Nor is there any evidence on the tapes that Casey, Cyrus Hashemi, or Jamshid Hashemi had contact in 1980 with Mehdi or Hassan Karrubi.[737] Indeed, there is no indication on the tapes that Casey or any other individuals associated with the Reagan campaign had contact with any persons representing or associated with the Iranian government.[738] Certain conversations, however, contain references to Casey by Cyrus Hashemi, as discussed further below.

(i) Conversation with Houshang Aryanpour

On November 14, 1980, Admiral Houshang Aryanpour telephoned Cyrus Hashemi to speak to Cyrus about Jamshid Hashemi. In the course of this conversation, which took place in Persian, Aryanpour raised concerns about Jamshid's involvement in the disposition of $1 million in funds intended for Admiral Madani's use.[739] In response, Cyrus Hashemi stated that "the issue of the one million dollars is not pos-

sible because one of my prides—as they say—is that—and the reason *I am today able to talk with, let us assume, Mr. Muskie or, with let us assume, Mr. Casey, his replacement,* I am pure and honest . . . because I insisted—because they called me that they wanted to give what was left of the money toward Madani's election to the Majles." [740]

There is no evidence from the FBI's electronic surveillance of Cyrus Hashemi's to indicate that Cyrus was in contact with Secretary of State Edmund Muskie or William Casey during the fall of 1980.[741] Additionally, at his deposition, Houshang Aryanpour did not manifest any knowledge that Cyrus had a relationship with Casey.

Aryanpour did testify that Jamshid told him in mid- or late 1988 that he had attended a meeting in Spain in 1980 with William Casey and Mehdi Karrubi.[742] Jamshid again mentioned a meeting in Spain in a conversation with Aryanpour in 1991 subsequent to the April 1991 broadcast of the PBS–TV "Frontline" documentary concerning the October Surprise allegations.[743] During the conversation in which Jamshid first spoke about a meeting in Spain, Jamshid made no mention of Cyrus Hashemi's presence, mentioning only the presence at the meeting of Casey, Mehdi Karrubi, and Jamshid himself.[744] Nor, during the second conversation, did Jamshid indicate that Cyrus had been present at a meeting in Spain. Indeed, Jamshid told Aryanpour that the only people in attendance were Jamshid, Casey, and Mehdi Karrubi.[745]

The subject of meetings in Spain never came up in conversation between Aryanpour and Cyrus Hashemi.[746] In addition, at no time did Jamshid ever indicate to Aryanpour that Cyrus had a relationship with Casey.[747]

(ii) Conversation with Mahmoud Moini-Eraghi

On November 20, 1980, Mahmoud Moini-Eraghi telephoned Cyrus Hashemi at his office in New York. According to the FBI's translation of this conversation, the two men discussed the following after exchanging pleasantries:

> MOINI-ERAGHI: I have had no news of Iran. Also I heard last that night that Ardashir Zahedi [the former Iranian ambassador to the United States] has, it appears, come to Washington. And it is said that he . . . of course, you know that he has a had a relationship with the Republicans and has been a close friend of Reagan's, it seems, has come to Washington and begun [some] political activities. Have you heard anything about this?
>
> HASHEMI: The truth is that I have not, because I was on the phone with Tehran, and Ali Agah[748] was, by chance, at the location where I had telephoned. . . .
>
> MOINI-ERAGHI: Yes, yes. . . .
>
> HASHEMI: I talked with him also for about ten to fifteen minutes. . . .
>
> MOINI-ERAGHI: Right. . . .
>
> HASHEMI: That is, I was talking to [Behzad] Nabavi. . . .
>
> MOINI-ERAGHI: Right.
>
> HASHEMI: . . . Behzad Nabavi . . . so, by chance he [i.e., Ali Agah] was also there. . . .
>
> MOINI-ERAGHI: Right.
>
> HASHEMI: . . . and he talked with some and said that he had heard that several of the people who were involved had gone to Washington to undertake some activity. He wanted to know whether I had any news. I said that the truth is that I did not know, of course, he [i.e., Ali Agah] did not mention his [i.e., Zahedi's] name. . . .
>
> MOINI-ERAGHI: Yes, I heard that he [i.e., Zahedi] had gone and met with Kissinger and had also met with Reagan and presently is seriously engaged in activities, and this . . .
>
> HASHEMI: . . . Yes, he can do nothing. . . .
>
> MOINI-ERAGHI: Now, you keep this [news] in mind. . . .
>
> HASHEMI: . . . yes, because you know with . . . *I, you know, I have been, well, close friends and things with Casey for several years . . . and I am now a very good friend of his. . . .*
>
> MOINI-ERAGHI: *Right . . .*[749]

At his deposition, Moini-Eraghi had only a vague recollection of this telephone conversation. He had no recollection of discussing William Casey with Cyrus, and he had no recollection of Cyrus ever telling him that Cyrus and Casey were friends.[750] Moini-Eraghi also did not recall Cyrus ever telling him that he had good contacts in the Republican Party in 1980.[751]

(iii) Conversation Between Alanna Torres and O. Jackson Cook

On January 21, 1981—one day after Ronald Reagan's inauguration—Cyrus Hashemi's secretary, Alanna Torres, telephoned O. Jackson Cook to read a telex to Cook that Hashemi was sending to John Shaheen.[752] Cyrus Hashemi was not a party to this conversation, and William Casey's name is not mentioned during the conversation. Further, the majority of the telex concerns a business transaction involving the Bank of England and an upcoming trip to London. The end of the telex, however, contains language which is relevant to the allegations that Casey and Hashemi were in contact in 1980. The pertinent parts of the telex are as follows:

> TORRES: I'm going to be sending a telex to John Shaheen's office. . . .
>
> COOK: Okey Doke. . . .
>
> TORRES: . . . and Doctor Hashemi asked me if I could just read it to you before I send it.
>
> COOK: Sure. [In the telex, Cyrus then discusses business transactions involving Bank of England and upcoming travel to London]
>
> TORRES: [I]n view of our friendship . . . I would urge you to make time so we may get together, resolve the outstanding issues, and also see if we can be of any assistance to you. *On another front, it is important that you and I get together since there might be a rather important matter which could be of mutual interest to one of your friends who was also one of your former colleagues . . .*[753]

The Task Force did not find any evidence to clarify the identity of Shaheen's "friend" and "former colleague." Assuming that this person was Casey, it can be inferred from the telex that Shaheen and Hashemi had previously discussed Shaheen's relationship with Casey, and that Hashemi by this time was aware that Casey was going to hold a prominent position in the Reagan Administration. The telex could further be interpreted to mean that Hashemi was interested in passing a message to Casey through Shaheen.

Neither of these inferences tends to establish that Casey and Hashemi had previously been in direct contact with each other regarding Iran or any other matter. Although Shaheen may have previously mentioned Hashemi to Casey in connection with Iran,[754] the telex contains no mention—veiled or direct—of prior contact between Hashemi and Shaheen's "former colleague." Nor is the nature of the "important matter" which Hashemi wishes to discuss identified. That Hashemi might have sought a communications channel to Casey would not be surprising in light of the access he had with senior officials in the Carter Administration and the opportunity presented by his access to a friend of the incoming Director of Central Intelligence (*i.e.*, Shaheen).

b. Reported Statements to Admiral Ahmed Madani

Madani testified that Cyrus Hashemi told him that he and William Casey were close friends.[755] According to Madani, Hashemi communicated this information to Madani during a visit to Madani in Hamburg, West Germany, in October 1980.[756] Madani also testified that Hashemi told him that Casey would hold an important position in the U.S. government if Reagan were elected, and that Cyrus's relationship with Casey could therefore redound to their benefit.[757]

Upon further questioning, however, Madani did not recall Cyrus ever telling him that Cyrus had actually met personally with Casey.[758] Additionally, Madani testified that Cyrus never mentioned any specific occasions when he and Casey had been together, or any specific conversations that he had with Casey.[759] Madani himself has never seen Casey together with either Cyrus or Jamshid Hashemi.[760] Nor does he know anybody who claims to have seen Casey with either Cyrus or Jamshid Hashemi.[761] Similarly, no one has ever told Madani that

they have knowledge of meetings between Casey and the Hashemi brothers.[762] In fact, the only persons who have ever told Madani that Cyrus Hashemi had a relationship with Casey were Cyrus and Jamshid.[763]

3. Conversations Between Cyrus and Jamshid Hashemi

The tapes from the FBI's electronic surveillance of Cyrus Hashemi include sixty-six recorded conversations between Cyrus and his brother Jamshid.[764] These conversations are important not because of what they reveal, but because of what they do *not* reveal.

If these brothers had secretly coordinated, as alleged, meetings between William Casey and representatives of the Iranian government for the purpose of affecting the timing of the release of the hostages, one would expect to hear some evidence of a conspiracy—if even a glimmer—on the tapes. In early or mid-October, for example, one would expect to hear some indication of planning for a major meeting in Paris. In the days leading up to the presidential election on November 4, 1980, one would expect to hear the brothers discuss whether the Iranian government would hold up its end of the alleged bargain by refusing to release the hostages to the Carter Administration prior to election day. Similarly, in the aftermath of the Reagan victory, one would expect to hear the brothers exchange congratulations for having "pulled it off," or comment on whether the incoming Reagan Administration would keep its end of the alleged bargain by facilitating arms shipments to Iran. And somewhere amid these conversations, one would expect to hear a reference to the Karrubi brothers and meetings in Madrid.

Analysis of the tapes by the Task Force—and by a talented, thorough team of FBI personnel—yielded none of the above. In fact, both the Task Force and FBI personnel are unaware of any references on the tapes to contacts between anyone on the Reagan campaign and representatives of the Iranian government.[765] The Task Force believes that these omissions are highly probative with respect to whether the meetings in Madrid and Paris took place, particularly in light of the fact that Cyrus and Jamshid can often be heard discussing other sensitive matters, such as assistance to Admiral Ahmed Madani and illegal arms sales to Iran.

There would not be room in this report for the Task Force to recount each of the conversations between Cyrus and Jamshid Hashemi which, for the reasons stated above, merit attention. For purposes of illustration, however, the Task Force discusses below two of the more noteworthy conversations between the Hashemi brothers.

a. January 20, 1981

On the day of Ronald Reagan's inauguration, a conversation occurred between Cyrus and Jamshid Hashemi as the release of the American hostages in Iran was under way:

> JAMSHID: Say, they have left. Haven't they?
>
> CYRUS: Yes, yes.
>
> JAMSHID: Have they arrived in Algeria or not?
>
> CYRUS: No. It seems that it will take five hours. They left at 8:30—8:31, to be exact.
>
> JAMSHID: Tehran time?
>
> CYRUS: Yes. That is 12:00 noon—12:01 our time here.
>
> * * * * *
>
> JAMSHID: Say, now that they have removed the sanctions. . . .
>
> CYRUS: No. They have said nothing about it.
>
> * * * * *
>
> JAMSHID: Well, what do you mean, they have not said anything?
>
> CYRUS: They have not said anything; that is it.
>
> JAMSHID: That it, what will they do to them? What will finally happen? . . .
>
> CYRUS: Well, I think that, gradually, that will also be lifted. They will certainly lift those.
>
> JAMSHID: Then, trade has reopened?

CYRUS: Yes, it has reopened.

JAMSHID: I see.

CYRUS: Yes, of course.

JAMSHID: Then, they will be shipping the Navy's merchandise now?

CYRUS: The merchandise that the Navy has here?

JAMSHID: Yes.

CYRUS: Well, they—well, some of these require export license—it has always required export license. Once they have obtained the export license, they will be shipped. [Of course,] Iran itself does not want some of it at all, you know.

JAMSHID: Oh!

CYRUS: Yes. They will be paid back [the cost of] those they do not want.

JAMSHID: Well—then—I say—in these new things—will anything be coming your way to send my way, sir?

CYRUS: Well, let us see. I myself do not want, you know, to do anything. In truth—even at the time—yesterday when I talked with them—I told Nabavi—said that I did not want any relationship at all. It was because of the hostages, you know. It was an issue that I was involved with from the start until now; and—yes—it turned out well.

JAMSHID: Yes.

CYRUS: But then, I do not wish to have any involvement with them, in truth.

JAMSHID: Well, you have been involved up to now; as they say, without pay or anything.

CYRUS: Just so! Without pay or anything—no longer—without any use—not any more.

JAMSHID: That is what I say. You were up until now. And now——

CYRUS: Even now—no, they are s.o.b.'s, you know. Not at all——

JAMSHID: Well, you could say, well gentlemen, I can no longer do it, but so and so [Translator: the reference is clear in Persian to mean Jamshid] will take my place. However, he, for example, thing——

CYRUS: Now, anyone who does anything, they think that he is getting paid five million dollars, you know. They are all like this. Now let us wait for the dust to settle some in two or three days—we shall see what will happen.

JAMSHID: Ok. Ok. Well, do you have any command, any wish or anything to be done?

CYRUS: Thank you. [Translator's note: The rest of the conversation is devoted to Jamshid's imminent move into a new space to be used as a carpet shop.] [766]

As in other conversations, the exchange between Cyrus and Jamshid Hashemi is most notable for words not spoken, rather than what is said—particularly given the dramatic events which are taking place as they are speaking. If there were any truth to the allegations of contacts with William Casey and meetings in Madrid and Paris, one would expect to hear Cyrus or Jamshid refer to these past efforts, and to the culmination of all they have worked for, amid news reports that Iran has finally released the hostages. Instead, the conversation focuses on whether the U.S. Government has lifted trade sanctions. Jamshid, for his part, seems more interested in how he can profit financially from potential shipments of embargoed military equipment originally intended for the Iranian navy. That the two alleged conspirators make time to discuss Jamshid's move into a new location for his carpet business while the hostages' release is under way is particularly striking.

b. February 9, 1981

On February 9, 1991, Jamshid telephoned Cyrus Hashemi. After they exchanged greetings and inquired about the health of their respective family members, the following discussion occurred:

JAMSHID: Our situation in Iran with our contacts has gotten to a stage

where *they want to send a group* [*or delegation*] for——

CYRUS: Reza [Hashemi] told me. *The problem is that there is no way to obtain visas* [*for them*]. But if, in truth, the deal is a big one—and the deals [following] will be good ones, you go to London.

JAMSHID: Well, I go to London——

CYRUS: Go to London—well, at last then—it might take two months—the problem is—you know what I mean?

JAMSHID: What?

CYRUS: As there is nothing now—there is no relationship. *I have no relationship with them to ask—for example—to issue visas.* You know?

JAMSHID: Yes. Well, I will have to sit down and talk with you about this issue. I want all of this—so to speak—you, at least, one hour—so that I—all these things that have been exchanged.

CYRUS: You can come any time you wish. If you wish you can come at between two-thirty and three today.[767]

The Task Force cannot be certain about the precise nature of the delegation referred to by Jamshid or the "relationship" referred to by Cyrus. The conversation could be construed to mean that Jamshid and Cyrus are discussing the problem of obtaining visas for Iranians to travel to the United States. In this regard, Cyrus appears to be explaining that he has no relationship with U.S. Government officials to exploit in order to obtain the needed visas. This interpretation, if correct, would be at odds with the allegation that the Hashemi brothers had cultivated a relationship with William Casey, now the Director of the CIA. According to documents reviewed by the Task Force, the CIA under the Carter Administration assisted Jamshid in obtaining entry into the United States. Had the Hashemi brothers, as alleged, helped to "deliver" the election to Reagan, moreover, one would expect that the Reagan Administration could have assisted the Hashemis in a matter as simple as arranging for a visa.

4. Attempts to Ward Off Indictment

As discussed more fully below, on February 4, 1984, Elliot Richardson met with lawyers for the CIA in connection with the impending indictment against Cyrus Hashemi, his client.[768] Richardson testified that the meeting had originated with an earlier discussion between Richardson and John Shaheen.[769] Richardson had gone to see Shaheen because Cyrus Hashemi had told him about his business dealings with Shaheen and Richardson knew that Shaheen had served in the OSS with Casey.[770] According to Richardson, his purpose in seeing Shaheen was "to ask him generally what his view of Hashemi was, whether he thought [Hashemi] had sincerely made an effort to be of assistance with respect to the hostage crisis, and if so, would he, Shaheen, tell Mr. Casey what he knew about [Hashemi] . . ." [771] Richardson recalled that he subsequently telephoned Casey and requested a meeting with somebody at the CIA to make his pitch on behalf of Hashemi.[772] During Richardson's conversation with Casey, Casey mentioned that he had received a previous call from Shaheen.[773]

Nothing in this series of events revealed to Richardson any existence of a prior relationship between Casey and Hashemi, as underscored by the following exchange at Richardson' deposition:

COUNSEL: During the period of your representation of Cyrus Hashemi, do you have any recollection of any relationship between Cyrus Hashemi and William Casey during this period?

RICHARDSON: No. On the contrary, my conversation with Mr. Shaheen and my call to Mr. Casey were, to the best of my recollection, predicated on the understanding that there was no such relationship.

COUNSEL: Did you advise Cyrus Hashemi of the fact that you were going to call Bill Casey?

RICHARDSON: Yes.

COUNSEL: And at the time that you advised him of that, do you have any specific recollection of whether Hashemi made a comment to you about

any relationship that he had with Bill Casey?

RICHARDSON: I am quite sure that he did not.

5. Purported Real Estate Transaction in 1979

During Elliot Richardson's meeting with CIA officials on February 4, 1984, Richardson described a prior meeting in mid-1979 between Cyrus and John Shaheen. According to Richardson, Shaheen showed Cyrus a letter at this meeting, purportedly signed by William Casey, which said that Cyrus Hashemi should be used as an intermediary in the purchase of a building in New York from a foundation.[774] Richardson told CIA attorneys that this real estate transaction was completed successfully.[775]

The Task Force had some concern about the weight to be given Richardson's 1984 claim, given the lack of corroborating evidence of the letter's existence. Not one of the witnesses contacted recalled seeing the letter. Even if found and authenticated, such a connection between Casey and Hashemi, without more, would not constitute substantiation for the allegations under investigation by this Task Force.

In fact, however, the Task Force has found no evidence to corroborate Richardson's representation to CIA officials regarding the alleged Casey letter. At his deposition, Richardson testified that he had no recollection of the alleged letter.[776] Similarly, William Wachtel, another lawyer retained by Cyrus Hashemi who also attended the February 4, 1984, meeting at the CIA, told the Task Force that he had no knowledge of the reported real estate transaction.[777] Maureen McPartland Brokaw, who worked for John Shaheen from 1970 until his death in November 1985, also told the Task Force that she knew nothing about the alleged Casey letter or the purported real estate transaction.[778] Stanley Pottinger also testified that he has no knowledge of any involvement by Cyrus Hashemi in the real estate transaction mentioned by Elliot Richardson.[779]

CIA officials who attended the meeting with Richardson and Wachtel also could not provide the Task Force with any evidence to substantiate Richardson's account regarding the alleged letter from Casey. John Rizzo, a CIA lawyer then assigned to the Directorate of Operations, testified that Richardson did not produce the letter to Agency officials during the meeting or, to his knowledge, at any subsequent point.[780] Nor, to Rizzo's knowledge, did Richardson ever show the alleged letter to any officials elsewhere in the U.S. Government.[781] Similarly, Charles Cogan, who was then Chief of the Near East Division within the Directorate of Operations, testified that he never received any evidence of the alleged letter.[782]

Endnotes

1. There are also allegations that emissaries of Ronald Reagan traveled to Iran in early 1980 to meet with Iranian government officials; that William Casey met with Mehdi Karrubi as early as sometime during the period of February–April 1980; that Cyrus and Jamshid Hashemi met with National Security Council staffperson Donald Gregg in New York in the spring of 1980; and that senior Reagan transition aide Edwin Meese met with Cyrus Hashemi at his home in Wilton, Connecticut in late December 1980. These allegations will be discussed separately below.

2. Gary Sick Telephone Deposition (Dec. 21, 1992), at 8 (hereinafter "Sick Dec. 21 Dep.") (Sick testified that Jamshid Hashemi is his exclusive source for what was discussed at the alleged meetings in Madrid).

3. Gary Sick told the Task Force that when he interviewed Jamshid in London in the fall of 1990, Jamshid's opening remark was "Of course, you know about the Madrid meetings." Gary Sick Interview (July 22, 1992) (hereinafter "Sick July 22 Int."). This was the first time that Mr. Sick—or anyone else, to Mr. Sick's knowledge—had heard about meetings in Madrid. *Id.*

4. Unless otherwise noted, the following account is based on three sources which relied on Jamshid Hashemi for information on the Madrid meetings: (1) G. Sick, *October Surprise* at 81–87; (2) Sonenshine, *Three Days in July,* Financial Times, June 21, 1991; and (3) Nightline: *The October Surprise,* ABC News, June 20, 1991.

5. Contrary to what he told Gary Sick regarding Mehdi Karrubi's lodging arrangements in Madrid, Jamshid Hashemi apparently told ABC News that the Iranian delegation stayed in two hotels, the Plaza and the Ritz. Transcript, *Nightline: The October Surprise,* ABC News June 20, 1991 at 2.

6. Jamshid Hashemi told Gary Sick and reporters for "Frontline" that the meetings between Casey and Karrubi took place over a two-day period. Gary Sick Dec. 21 Dep., at 5–6. *See* Transcript, *Frontline: Investigating the October Surprise,* PBS, April 7, 1992, at 2 ("The meetings, says Jamshid, spanned two days.").

7. *Nightline: The October Surprise,* ABC News, June 20, 1991, at 7.

8. G. Sick, *October Surprise* at 86 (citing information from Jamshid Hashemi).

9. Jamshid Hashemi now uses the name James Khan.

10. James Khan Deposition (Sept. 23, 1992) at 63–64 (hereinafter "Khan Dep."). It should also be noted that Jamshid told Gary Sick that Mehdi Karrubi was his Iranian contact point for arranging the second set of meetings in Madrid, whereas he told the Task Force that he communicated with "Haj Hassan" Karrubi.

11. G. Sick, *October Surprise* at 86–87.

12. Transcript, *Nightline: The October Surprise,* ABC News June 20, 1991, at 4 (citing Jamshid Hashemi).

13. See App. at 339–348.

14. Antonio Giron Jimeniz Interview, Hotel Tryp Plaza, Madrid, (September 25, 1992). The tax record is based on infor-

mation provided by guests on cards which they must fill out at check-in pursuant to Spanish police regulations. The top part of the card contains information such as the guest's name and country and is signed by the guest. It is retained by the hotel and used to compile the tax record. The bottom part of the card contains similar information and is retained by the police. According to an official at the Plaza Hotel, the hotel keeps the cards for only two years. *Id.*

15. The name "Abdullah Hashemi" probably was mistakenly transcribed as "Abdululi Hashemi."

16. Information from a reliable but confidential source, based on a review of records from the Plaza Hotel, reportedly shows someone by the name of "Parsa Jamshid" checking into the hotel on August 11, 1980, rather than on August 12. The Task Force has been unable to examine this information first-hand.

17. Khan Dep. at 110–12.

18. Khan Dep. at 110, 114, 118. The Federal Bureau of Investigation has confirmed that the name "Ali Balanian" is "a known alias used by Jamshid Hashemi." Letter from Terry T. O'Connor, Inspector in Charge, to E. Lawrence Barcella, Jr. (Nov. 10, 1992).

19. Khan Dep. at 116–17. There has been speculation in the media regarding whether the name "Robert Gray" which appears in the Plaza Hotel tax records for July 23, 1980, is Robert Keith Gray, who worked for the 1980 Reagan Presidential campaign and is closely associated with the Republican Party. *See* Transcript, *Nightline: The October Surprise,* ABC News, June 20, 1991, at 3. The Task Force deposed Robert Keith Gray, and he testified under oath that he was not in Madrid during the summer of 1980. Robert Gray Deposition (Dec. 15, 1992) at 40 (hereinafter "Gray Dep."). This testimony was corroborated by Gray's passport for 1980, which does not contain any evidence of an entry to Spain in the summer of 1980 or an entry to the United States in July or August 1980. *See* Exh. App. at 349–357. Gray further testified that the only time he has been to Madrid was in 1983 or 1984 to open an office for his public relations firm. Gray Dep. at 41–42. Jamshid, at best, has confused Robert Keith Gray and Donald Gregg as to who was at the Madrid meetings. Jamshid testified that the man he saw in the Plaza Hotel was the man he saw being interviewed about Madrid meetings on *Nightline* (Robert Gray), whom he identified at his deposition as Donald Gregg. Khan Dep. at 68–69. As discussed more fully below, however, Jamshid indicated to Gary Sick prior to the *Nightline* broadcast that Donald Gregg was at the Madrid meeting. Further, Gray testified that he did not join the Reagan campaign until September 1980. Gray Dep. at 4.

20. G. Sick, *October Surprise* at 250 n.24.

21. Khan Dep. at 112–117.

22. Khan Dep. at 112. Jamshid said that the tax records from the Plaza Hotel were not the same documents shown to him by ABC News. *Id.* at 118, 122. He explained that the information shown to him by ABC News was "typed" and was "from the hotel." Id. at 118.

23. Khan Dep. at 123.

24. Khan Dep. at 123.

25. *But see* discussion below regarding Jamshid's testimony about the dates of alleged follow-up meetings in Madrid.

26. Khan Dep. at 60, 138; G. Sick, *October Surprise* at 86.

27. In any event, Jamshid testified categorically that the second set of Madrid meetings occurred before September. Khan Dep. at 138.

28. The formal name of the conference was the "Anglo-American Conference on the History of the Second World War."

29. *See* schedule for conference at App. at 358–59.

30. *See, e.g.*, Transcript, *Frontline: Investigating the October Surprise,* PBS, April 7, 1992, at 2–3.

31. G. Sick, *October Surprise* at 85.

32. Houshang Aryanpour Deposition (Sept. 1, 1992) at 127–133 (hereinafter "Aryanpour Dep.").

33. Ahmed Madani Deposition (Aug. 23, 1992) at 10, 39, 14–18, 44 (hereinafter "Madani Dep.").

34. G. Sick, *October Surprise,* at 85, 250 n.26.

35. G. Sick, *October Surprise,* at 85, 251 n.28.

36. Transcript, *Frontline: The Election Held Hostage,* PBS, April 16, 1991, at 8. According to Gary Sick, Durrani learned about meetings in Madrid between Casey and Karrubi from Mohsen Rafiqdust, Mohsen Reza'i, and Hamid Naghashian during trips that Durrani made to Iran in 1980. G. Sick, *October Surprise* at 152. Durrani reportedly has claimed that contact between Casey and Cyrus Hashemi was established through John Shaheen, and that it was Cyrus who arranged for Karrubi to meet with Casey in Europe. Id. at 152, 261 n.21 (sub-source unclear). *See* subsection XIII, *infra,* for further background on Durrani.

37. G. Sick, *October Surprise* at 85, 251 n.29.

38. G. Sick, *October Surprise* at 85, 250 n.27.

39. Ari Ben-Menashe Deposition, (Aug. 4, 1992) at 4 (hereinafter "Ben-Menashe Dep.").

40. *Id.* at 4.

41. *Id.* at 5.

42. *Id.* at 5.

43. *Id.* at 6.

44. Ari Ben-Menashe Interview (June 17, 1992) at 1 (hereinafter "Ben-Menashe Int.").

45. *Id.* at 2.

46. *Id.* at 2.

47. *Id.* at 2.

48. *Id.* at 3.

49. Ben-Menashe Dep. at 37, 43.

50. *Id.* at 37.

51. *Id.* at 37.

52. *Id.* at 37, 151.

53. *Id.* at 35-36.

54. *Id.* at 35, 43.

55. Id at 35.

56. *Id.* at 40.

57. *Id.* at 40.

58. *Id.* at 43.

59. *Id.* at 150, 152.

60. *Id.* at 150-54.

61. *Id.* at 159. According to Ben-Menashe, Robert Gates attended the second and third meetings in Spain. *Id.* at 39. Ben-Menashe also allegedly was told that Donald Gregg attended two of the meetings in Madrid with William Casey. *Id.* at 165. Ben-Menashe distinguished these meetings from the meetings that the Hashemi brothers had with Iranians in Spain. *Id.* at 40. The Hashemi meetings, he said occurred separately. *Id.*

62. *Id.* at 26, 31-32, 147; *see* Bleifuss, *Truth: the Last Hostage,* In These Times, April 17-23, 1991, at 9. While in Iran, they met with former Iranian Prime Minister Mehdi Bazargan, whom Brian allegedly knew. Ben-Menashe Dep. at 32.

63. Ben-Menashe Dep. at 31, 33.

64. *Id.* at 31.

65. *Id.* at 25–26, 32, 142.

66. *Id.* at 32, 142.

67. *Id.* at 148–49.

68. Babayan Dep. at 13–14, 16. *See also* G. Sick, *October Surprise* at 85–86 & 251 n.30.

69. Babayan Dep. at 13, 15.

70. *Id.* at 25.

71. *Id.* at 16.

72. *Id.* at 20.

73. *Id.* at 15.

74. *Id.* at 27.

75. Aryanpour Dep. at 129.

76. *Id.* at 129–30.

77. *Id.* at 129–130, 132.

78. *Id.* at 132.

79. *Id.* at 132–33.
80. *Id.* at 134.
81. *Id.* at 133.
82. *Id.* at 131.
83. *Id.* Aryanpour also asked Jamshid why Jamshid had not publicized his knowledge of the alleged meetings in Spain between Casey and Karrubi. According to Aryanpour, Jamshid explained that his brother Cyrus had been murdered by the Israeli government, and that he was afraid of suffering the same fate. *Id.* at 130.
84. *Id.* at 139. Aryanpour had gone to Jamshid's home to offer his condolences on the death of Jamshid's father. Aryanpour testified that this visit occurred approximately seven or eight months prior to his deposition, which took place on September 1, 1992. *Id.* at 141.
85. *Id.* at 137–140.
86. *Id.* at 137.
87. *Id.*
88. *Id.* at 141.
89. *Id.* at 138. Aryanpour informed the Task Force that his last contact with Cyrus Hashemi was in 1980, and that he and Cyrus never discussed the subject of the alleged meetings in Spain. *Id.* at 134, 139. Based on the FBI's electronic surveillance of Cyrus Hashemi, the Task Force is aware of contact between Aryanpour and Cyrus Hashemi at least as late as November 14, 1980, when they had a long telephone conversation.
90. *Id.* at 134.
91. *Id.*
92. *Id.* at 136.
93. *Id.* at 136.
94. Bani-Sadr came to understand that Khomeini saw the hostage situation not as an international crisis between the United States and Iran but rather an internal political issue, which would allow Khomeini to seize the reigns of power and establish a fundamentalist Islamic state. The creation of such a state would necessarily come at the expense of his presidency. President Abol Hassan Bani-Sadr Deposition (Sept. 24, 1992) at 3. (hereinafter "Bani-Sadr Sept. 24 Dep.")
95. *Id.* at 7.
96. *Id.* at 8.
97. *Id.* at 11–12.
98. *Id.* at 13–14. *See* Updated Memorandum from Stanley Pottinger to Elliot Richardson (prepared in early 1984) at 44–48; *See also* Max Moini Deposition (Oct. 15, 1992) at 17–21 (hereinafter "Moini Dep.").
99. *See* section V, *supra,* for a discussion of evidence indicating that Bani-Sadr did, in fact, have knowledge of the Passendideh trip to Madrid.
100. Bani-Sadr Sept. 24 Dep. at 15.
101. *Id.* at 15.
102. Bani-Sadr Sept. 24 Dep. at 15.
103. In fact, on December 17, 1992 and December 26, 1992, Bani-Sadr sent a fax to the Task Force with an analysis of the Senate Report. In that fax, Bani-Sadr reiterated his position that the Passindideh meeting was with Reagan campaign officials. *See* App. at 360–379.
104. Bani-Sadr Dep. (Sept. 24, 1992) at 19.
105. *Id.* at 19.
106. *Id.* at 20.
107. Sadegh Ghotbzadeh was Iran's foreign minister for a large portion of the hostage crisis and thus served as a key player in the hostage negotiations between the Carter Administration and the Iranian government. Virtually from the beginning, Ghotbzadeh wanted the hostages to be released as soon as possible. Ghotbzadeh made no secret of his belief that it would be better for Iran to negotiate a settlement with the Carter Administration than with a future government headed by Ronald Reagan. Ghotbzadeh replaced Abol-Hassan Bani-Sadr, who would later be elected president, as foreign minister on November 28, 1979. He served in the post until a new cabinet dominated by the clergy was formed on September 2, 1980. Ghotbzadeh's decision to step down as foreign minister when the new cabinet was named did not end his involvement in Iranian politics. He sensed that the moderates had lost their hold on power in government or influence with Khomeini. Khomeini, he realized, was not interested in putting together the type of Islamic society that Ghotbzadeh envisioned, and he actively planned to topple the religious leader. *See* Jerome, C., *The Man in the Mirror* at 273–278, 281–282. However, his plans were foiled and Ghotbzadeh was arrested, charged with attempting to overthrow the government, and thrown into Tehran's Evin prison. He was executed on September 15, 1982. *Id.* at 282, 291.
108. *Agence Presse-France,* Sept. 6, 1980, Foreign Broadcast Information Service (FBIS), Sept. 8, 1980.
109. Text of Ghotbzadeh's letter to the Majlis as carried in *Ingilab'i Islami* newspaper, September 11, 1980, as translated by the Library of Congress. *See* App. at 771–780.
110. *Id.* at 13.
111. *Id.* at 13.
112. *Id.* at 16.
113. Reuters, Sept. 16, 1980, FBIS, Sept. 18, 1980.
114. *New York Times,* Dec. 22, 1991, at Section 7, p. 7.
115. *New York Times,* Aug. 28, 1991, at Section 1, p. 21.
116. The Task Force received certain intelligence information which strongly indicated that Mr. Ghorbanifar was asking various Iranians what he should write about the October Surprise allegations.
117. Carole Jerome Interview (Oct. 22, 1992) at 7 (hereinafter "Jerome Int.").
118. *Id.* at 7.
119. *Id.* at 10.
120. Christian Bourguet Interview (Sept. 22, 1992) at 27 (hereinafter "Bourguet Int.").
121. *Id.* at 5.
122. Francois Cheron Interview (June 3, 1992) at 8 (hereinafter "Cheron Int.").
123. Jacques Montanes Interview (Sept. 23, 1992) at 22 (hereinafter "Montanes Int.").
124. *Id.* at 25.
125. Henry Kissinger was deposed by the Task Force and made no secret of his view that the U.S. government should have given greater support to the Shah. He denied, however, that he was aware of, or participated in, any effort to delay the release of the hostages. Henry Kissinger Deposition (Nov. 2, 1992) at 5, 13 (hereinafter, "Kissinger Dep.").
126. Homa Hashemi Deposition (Aug. 13, 1992), at 82–83. Mrs. Hashemi recalled that Cyrus called her from Spain, that she called Cyrus in Spain, and that she spoke to her in-laws while they were in Spain. She was uncertain whether Cyrus went to Madrid or Barcelona, and she did not remember the name of the hotel where Cyrus stayed. *Id.* at 82–83.
127. FBI Electronic Surveillance of Cyrus Hashemi.
128. Homa Hashemi Dep. at 84.
129. The Task Force had reconstructed the whereabouts of Casey & Hashemi in classified and unclassified calendars at App. at 380–400. The calendars are based upon documentary evidence and oral testimony by the reliable information obtained from the Task Force as well as from investigations conducted by the federal government.
130. See G. Sick, *October Surprise* at 84–87. At his deposition, Jamshid told a different story, testifying that one round of meetings lasted only one day, and the other round spanned two days. He could not recall which meeting was a one-day meeting, and which one lasted two days. See Khan Dep. at 61–62. Gary Sick informed the Task Force that Jamshid told him, without any equivocation, that the first set of meetings in Madrid occurred on two consecutive days. Gary Sick, Dec. 21 Dep. at 6.

131. James Khan Dep. at 52, 56–57, 62–64; G. Sick, *October Surprise* at 82–88; Transcript, *Nightline: The October Surprise*, June 20, 1991, at 2.

132. The telephone toll records from Cyrus Hashemi cover the period of December 16, 1979, to August 6, 1980, inclusive.

133. Letter from J. Stanley Pottinger to E. Lawrence Barcella, Jr. (Dec. 29, 1992) at 7, and Memorandum from Pottinger to D. Laufman (Dec. 30, 1992) ("Errata"). See App. at 402-23.

134. For purposes of establishing Cyrus Hashemi's whereabouts, the fact that a call placed from Wilton lasted only one minute is not probative of the material issue. Once it has been determined that a call was placed, the only material issue is the identity of the caller.

135. Pottinger confirmed that the number called, (301) 229–1324, was his home telephone number in 1980. J. Stanley Pottinger Deposition (Aug. 13, 1992) at 169 (hereinafter "Pottinger Aug. 13 Dep.").

136. Memorandum from J. Stanley Pottinger to E. Lawrence Barcella, Jr. (Dec. 29, 1992) at 8; Stanley Pottinger, Dec. 29, 1992. Four other calls were placed on July 28 from Pottinger's office to Cyrus Hashemi's office, ranging from 1 to 3 minutes. *See* App. at 402-23.

137. Id. at 9. Five other calls were made on July 29, 1980, from Pottinger's office to Hashemi's office, ranging from 1 to 4 minutes. According to Pottinger, the flurry of telephone calls related to Pottinger's impending departure; on July 30 for a business trip to London on behalf of Hashemi. J. Stanley Pottinger Telephone Deposition, (Dec. 29, 1992) (hereinafter "Pottinger Dec. 29 Dep.").

138. Homa Hashemi also testified that Cyrus had a business relationship with Shaheen in 1980. Homa Hashemi Dep. at 106.

139. On October 10, 1980, Homa Hashemi telephoned Alanna Torres at Cyrus Hashemi's office in New York. According to surveillance records, the purpose of Mrs. Hashemi's call was to find out how to reach Cyrus, who was in London at the time. Torres gave Mrs. Hashemi the telephone number for John Shaheen's office in London, and Mrs. Hashemi subsequently tried to reach Cyrus there. Thus, Mrs. Hashemi's call to Shaheen's office does not actually constitute a call from Mrs. Hashemi to John Shaheen.

140. Homa Hashemi Dep. at 105–107. Mrs. Hashemi testified that the only people with access to the phone from which these calls were placed were Cyrus, herself, her son Ali (then age 12), her daughter Mercedeh, and her housekeeper Ivy Johnson. *Id.* at 33, 92. She also said that Jamshid or Reza Hashemi, if they were visiting Cyrus's home, were free to make calls, as were friends who visited. Id. at 33–34. But she and Cyrus were not socializing very often with Jamshid and Reza at that time. Id. at 144.

141. Homa Hashemi Dep. at 144–45. Mrs. Hashemi also testified that she "never" returned business calls from Wilton on behalf of Cyrus that he received while abroad. *Id.* at 60.

142. See generally Pottinger Aug. 13 Dep. at 41–174.

143. Letter from T. Barry Kingham to E. Lawrence Barcella, Jr., Esq., November 2, 1992. *See* App. at 40.

144. Pottinger Aug. 13 Dep. at 168–69.

145. *Id.* at 169.

146. *Id.* at 170.

147. *Id.* at 171.

148. Homa Hashemi Dep. at 102.

149. *Id.* at 104.

150. *Id.* at 104–105. Mrs. Hashemi observed that she was not "close" enough to Pottinger to call him at home. Id. at 104.

151. *Id.* at 104.

152. *Id. Tlat 143.*

153. *Id.* at 139–40.

154. *Id.* at 141. Mrs. Hashemi added that she did not recall ever asking Cyrus for Ms. Torres' home phone, or looking up Ms. Torres' number in the telephone book. Id. at 144.

155. *Id.* at 143.

156. Alanna Torres Deposition (July 30, 1992) at 64 (hereinafter "Torres Dep.").

157. *Id.* at 65.

158. *Id.* at 65.

159. *Id.* at 65–66. Out of nearly 1,800 hours of calls recorded, the FBI's electronic surveillance picked up only one call from Mrs. Hashemi—a brief call on November 1, 1980, about arranging for limousine service. Letter from Terry T. O'Connor, Inspector in Charge, Federal Bureau of Investigation, to E. Lawrence Barcella, Jr., Dec. 30, 1992. *See* App. at 6–9.

160. Paul Bahrami Interview (Sept. 14, 1992).

161. Homa Hashemi Dep. at 156–57.

162. *Id.* at 157.

163. *See* G. Sick, *October Surprise* at 81; Sonenshine, Three Days in July, Financial Times, June 21, 1991; *Nightline, The October Surprise*, ABC News, June 20, 1991 at 4–5.

164. *See* Transcript, *Frontline: Investigating the October Surprise*, April 7, 1992, at 2–3 (reporting that Casey's whereabouts cannot be conclusively established for the period of July 25–28, and that these dates "correspond to the times that we know the Hashemi brothers were in Madrid.").

165. Darrell Trent Deposition (July 31, 1992) at 5–6 (hereinafter "Trent Dep."). At the time, Mr. Trent was a Senior Research Fellow at Stanford University and was living in Portola Valley in northern California. *Id.* at 3. After Reagan's inauguration, he served until May 1983 as Deputy Secretary of Transportation. *Id.* at 20.

The Bohemian Grove is affiliated with the Bohemian Club in San Francisco, of which Mr. Trent is a member. *Id.* at 6. Each year, members and their guests attend a summer encampment at the "Grove" for a two-week period spanning three weekends. *Id.* By car, the Grove is approximately 90 minutes north of San Francisco. *Id.*

166. Trent Dep. at 10–11. Trent explained that there are 130 different "small living divisions" at the Bohemian Grove. *Id.* at 11–12. Trent was a member of the Parsonage Camp, which had approximately twelve members in 1980, excluding guests. *Id.*

167. *See* App. at 424–429.

168. Trent Dep. at 9, 18; *see* App. at 429. Casey's total charges indicate two days of room and board. The amount of charges on the "chit" bearing Casey's name is $57.24. According to Trent, this amount indicates that Casey "was charged two days for breakfast and dinner, $27 each day plus tax." Trent Dep. at 9, 18. The chit itself shows that the costs of breakfast and dinner are $10.00 and $17.00, respectively. *See* App. at 430–431. After a thorough search of its records, the Bohemian Club in San Francisco separately provided the Task Force with an invoice from the 1980 summer encampment sent to William Casey, which showed the identical charges ($57.24) for room and board listed on the documents provided by Darrell Trent. *See* Letter from Robert Satrakian, Vice-President, Bohemian Club, to Douglas Edmonson, (September 30, 1992), and attachments. *See* App. at 424–425. Certain other expenses charged to Casey appear on Bohemian Grove records bearing an August 1980 entry date. According to Darrell Trent, however, the dates appearing on these records apparently may not necessarily coincide with the date on which the charges were incurred. Trent Dep. at 9, 28, 30.

169. *See* App. at 430–431.

170. Trent Dep. at 10, 21. Trent recalled that the first weekend of the 1980 Bohemian Grove occurred immediately after the Republican National Convention in Detroit, which ended on July 17. *Id.* at 4. Trent testified that he attended the convention. *Id.* He also testified that after the convention he travelled by plane with Vice Presidential nominee George Bush to Houston, where a political rally took place. *Id.* at 5. From Houston, Trent flew to Los Angeles on the campaign plane, landing, he believed, on July 19. *Id.* From Los Angeles, Trent believes that he flew to San

Francisco and returned to his home in Portola Valley, which is located 35 miles south of San Francisco. *Id.* at 5–6.

171. Trent Dep. at 21.

172. *Id.* at 7, 21.

173. *Id.* at 7, 9–10, 21.

174. *Id.* at 9. Other Grove members who attended the 1980 summer encampment corroborated Trent's assertion that the middle weekend was the most popular for guests. *See, e.g.*, Matthew McGowan Deposition (Dec. 7, 1992).

175. *Id.*

176. *Id.* at 30.

177. *Id.* at 30, 36–37.

178. *Id.* at 22.

179. *Id.*

180. Bernard E. Smith, Jr. Deposition (Nov. 30, 1992) at 3, (hereinafter "Ben Smith Dep."). This evidence consisted of contemporaneous entries in Smith's appointment calendar for 1980. *See* App. at 432–33. Smith testified that he, too, stayed in 1980 at the Parsonage Camp, of which he has been a member since 1973. Ben Smith Dep. at 2.

181. *Id.* at 3.

182. *Id.*

183. *Id.*

184. *Id.* at 4–5. Smith testified that he has known Trent for "at least twenty years." *Id.* at 3–4. Documents obtained from the Bohemian Club in San Francisco further corroborate the testimony of Trent and Smith. An index card filed under the name "William Casey"—found in a guest card file maintained since at least 1972—shows that Casey attended the Parsonage Camp in 1980 as a guest of "Darrell M. Trent." Letter from Robert Satrakian to Douglas Edmonson, September 30, 1992. *See* App. at 427. The card also indicates that Casey attended the Bohemian Grove on only two other occasions: in 1972, as a guest of Frank G. Chambers; and in 1981, as a guest of John A. McCone. Moreover, the card shows that Casey stayed at the "Mandalay" Camp while a guest of McCone, thereby precluding the possibility that the visit by Casey to the Grove which Ben Smith recalled might have taken place during some year other than 1980.

185. Ben Smith Dep. at 7. Smith's relationship with Casey went back several years. Smith recalled that he first met Casey when Casey was Chairman of the Securities and Exchange Commission during the Nixon Administration. *Id.* at 14. Beginning in the fall of 1979, Smith assisted Casey in fundraising activities in New York on behalf of Reagan. He remained in contact with Casey after Casey became chairman of the Reagan campaign in February 1980. *Id.* at 4, 14.

186. *Id.* at 5.

187. Warren G. Poole Interview, (Dec. 9, 1992).

188. *Id.*

189. *Id.*

190. *Id.*; *see* Ben Smith Dep. at 6. The Task Force obtained a copy of the photograph which contained no indication of the date on which it was taken. Although Trent, Poole, and Smith appear in the photo, Casey does not. Bernard Smith testified, however, that attendees do not feel "any strong sense of obligation" to attend the photo session, "and that we never had 100% attendance at those picture things." Ben Smith Dep. at 6–7.

191. Matthew McGowan Int. (Dec. 7, 1992).

192. McGowan recalled that Casey was at Bohemian Grove as a guest of Darrell Trent. *Id.*

193. *Id.*

194. *See* App. at 434–45.

195. *Id.*

196. *Id.*

197. McGowan was interviewed by the Task Force on numerous occasions. He was also interviewed by the Senate Special Counsel. McGowan's recollection as to which weekend he saw Casey was always unclear.

198. Richard Allen provided the Task Force with personal records which contained an entry for August 1, 1980, relating to Casey. This entry consists of a notation for a meeting at 10:00 a.m. and a scribbled picture of a table around which Allen noted the identities of the people in attendance. *See* App. at 446–47. Among those in attendance, Allen testified, were George Shultz, Alan Greenspan, and the initials "W.C.," which Allen identified as William Casey. Allen Dep. at 13–14 ("There is no one else with these initials."); The document does not indicate where this meeting took place. Another document from Allen's records contains the notation "1 Aug 80—WJC @ RR Mtg." An article appearing in the August 2, 1980, edition of the *Washington Star* corroborates Allen's records, reporting that Ronald Reagan met in Los Angeles on August 1 with "economic advisors and senior staff members." Accompanying the article is a photograph of Reagan in Los Angeles with George Shultz and Alan Greenspan. Finally, Casey's own calendar for August 1, 1980, contains the single entry "L.A." *See* App. at 449.

199. *See* App. at 448. Based on another notation appearing on this document, Allen testified that he probably was at the beach in New Jersey on August 2. Allen Dep. at 15. This testimony is corroborated by the entry "N.J." on Allen's calendar for August 2, 1980. *See* App. at 450. Subsequent to Allen's recollection that he was at the beach on August 2, he testified that "I would say there was 99% chance that I initiated this phone call and I can't tell you whether or not I got through." Allen Dep. at 15.

200. Allen Dep. at 14–15.

201. *See* App. at 448. *See also* Allen Dep. at 15.

202. Pottinger Dec. 29 Dep.

203. *See* App. at 451.

204. For the reasons stated above, the Task Force believes that the calls to Torres were made by Cyrus Hashemi.

205. Trent Dep. at 12.

206. *Id.* at 8, 12–13, 25.

207. Trent testified that "[u]sually the pattern that I try to follow, which isn't uniform, is that I try to arrive the first weekend on a Thursday night. I usually arrive the second weekend on the afternoon on Thursday. And the third weekend is generally optional, but I try to be there on Friday and Saturday and leave on Sunday " *Id.* at 24.

208. *Id.* at 26.

209. *Id.* at 25.

210. *Id.* at 25. In support of this possibility, Trent focused on a charge for medical treatment dated July 31, which would have been Thursday of the third weekend. *Id.* at 30. As Trent observed, "the records don't show that I was there on Thursday the [31st]." *Id.*

211. Peterson, *Reagan Receives $24.9 Million from U.S.*, Washington Post, July 25, 1980. *See also Investigating the October Surprise*, Frontline, April 7, 1992, at 2.

212. *See* App. at 452. In addition, Casey's appointment book for this date shows an engagement at 12:30 p.m. at the Georgetown Club. *See* App. at 453.

213. Thomas Casey, who was William Casey's driver at the time, testified that he recalled driving Casey to Dulles Airport on a Friday in order for Casey to fly to California to attend the Bohemian Grove festivities. Thomas Casey Deposition (Dec. 10, 1992) at 25–26. Thomas Casey also recalled picking up Casey (wearing casual clothes) at Dulles Airport on a Sunday—a memory that he associates with Casey's return from California. *Id.* at 26–29. In addition, he recalled driving Casey to the airport in Washington for Casey to fly to London to attend an "OSS conference" *Id.* at 30–31. As to this matter, the Task Force has concluded that Thomas Casey's testimony is contradicted by the weight of the evidence. First, Thomas Casey emphasized during his deposition that he cannot vouch for the sequence of events as recalled in his testimony. *Id.* at 30. Second, his testimony directly contradicts the credible testimony of Darrell Trent, who said that

he drove Casey from the Bohemian Grove on Sunday, July 27 to the airport in San Francisco where, Trent recalled, Casey was catching a plane to London. Further, if Casey had disembarked in Washington—rather than flying directly from San Francisco to London—he almost certainly could not have arrived in London by the afternoon of Monday, July 28, when he was first seen at the Imperial War Museum.

214. *See* App. at 454.

215. The Task Force has been unable to corroborate other evidence of Casey's activities on July 25. Casey's appointment book for July 25 contains an entry for a meeting at 10:00 a.m. with Bay Buchanan and Verne Orr. A loose calendar page is consistent with that entry. Both the appointment book and the loose calendar page also show a meeting scheduled for 11:00 a.m. with John Marsh. Ms. Buchanan and Mr. Orr testified that they frequently met with Mr. Casey during the course of the campaign, but neither had records or a specific recollection of a meeting on July 25. Verne Orr Deposition (Sept. 30, 1992) at 13 (hereinafter "Orr Dep."); Bay Buchanan Deposition (Sept. 17, 1992) at 30 (hereinafter "Buchanan Dep."). Both Buchanan and Orr testified that if they had met with Casey on this date, the meeting most likely would have taken place in the Washington, D.C. area. Orr Dep. at 15; Buchanan Dep. at 31. Ms. Buchanan recalled that she had already moved to Washington by the time the Reagan campaign headquarters officially opened—*i.e.*, on July 21—and that she did not return to California until after 1980. Buchanan Dep. at 31. Similarly, Orr testified that he arrived in Washington in June 1980 and did not return to California until the night before the November election. Orr Dep. at 15. The Task Force determined that the John Marsh referred to on Casey's calendar is now deceased.

216. Trent Dep. at 8–9.

217. *Id.* at 8.

218. *Id.* at 8, 33. Regarding his recollection that Casey was on his way to London, Trent testified: "I don't know whether that was triggered by some of the information that I have heard since on the reason for the investigation, or whether in fact he did say that he was going to London. But my impression has been that he went to the airport in the afternoon, he got on a flight to go to Europe." *Id.* at 33.

219. Letter from Arthur L. Funk to William J. Casey (Jan. 11, 1979). *See* App. at 455.

220. *Id.*; *see also* Letter from Arthur L. Funk to Sir William Deakin (Mar. 5, 1979) (relating that Casey plans to present a paper on "Secret Operations" during World War II, with an emphasis on operations in France and Germany). *See* App. at 456.

221. Richard B. Wirthlin Deposition at 67–68 (hereinafter "Wirthlin Dep.").

222. Jonathan Chadwick Interview (Aug. 19, 1992) (hereinafter "Chadwick Int."). *See also* App. at 457. (Reflecting handwritten note of July 16, 1980 phone conversation between Funk and Chadwick).

223. *See* Letter from Arthur L. Funk to Jonathan L. Chadwick (Jul. 3, 1980). *See* App. at 458.

224. Chadwick Int. (Aug. 19, 1992).

225. *Id.*

226. *Id.*

227. *Id.*

228. *See* App. at 459–462.

229. Trent Dep. at 8–9.

230. *Id.* at 8, 33.

231. Records from the Royal Army Medical College, where Casey stayed in London, do not resolve the question of when Casey arrived in England. Guests were not required to sign a register when they checked in. Major General Patrick Crawford Interview, Commandant and Post Graduate Dean, Royal Army Medical College Headquarters, (Aug. 21, 1992) at 7 (hereinafter "Crawford Int."). The "mess bill" for Casey shows a lodging charge for the night of July 27 and a charge for breakfast on the morning of July 28. Crawford Int. at 3. *See* App. at 463. According to the Commandant of the College, however, the College regards advance bookings as contracts, and guests are charged for any lodging and meals that they book in advance, regardless of whether they actually stay the night or eat the meal. Crawford Int. at 2–4. Therefore, the mere presence of charges on Casey's mess bill for the night of July 27 and the morning of July 28 does not establish that Casey was in London at those times. See *Id.* at 3.

232. *See* App. at 464–466. (Letter from Ray Grainger, British Airways, to Douglas Edmonson (Oct. 22, 1992)).

233. *See* App. at 358–359. Schedule for conference).

234. For example, the attendance chart shows that Reginald Jones, a professor at the University of Aberdeen, was present during all of the events on the first two days of the conference. Professor Jones, however, gave credible testimony that he did not arrive at the conference on the first day "until pretty well cocktail time," and that he did not attend any conference events on the second day. Professor Reginald V. Jones Interview (Aug. 20, 1992) at 4, 8 (hereinafter "Jones Int."). Professor Jones also provided the Task Force with copies of his July 1980 calendar entries, which fully corroborate his recollection. *See* App. at 467–472.

235. *See* Chadwick Int. at 5, 13–14; *See also* App. at 459–462. (Chadwick's attendance chart).

236. Chadwick Int.

237. *See* App. at 459–462.

238. *Id.*

239. Chadwick Int. at 10–11.

240. *Id.* at 10.

241. Chadwick explained to the Task Force that "I had a check against [Casey] for that session meaning that I expected him to be there. . Then when the session began, the way it reads to me, I cancelled that check by putting a cross diagonal over it in a barrow because I looked around the room and he was not there." Interview with Jonathan Chadwick at 10. Chadwick added that the session must still have been in progress in order for him to have noticed Casey. *Id.* at 11. He testified that "[o]therwise we would have all been up in the corridor having tea and I might not have seen him. I think that means he came into the room, we were about to break, for tea, because it was scheduled from 4:00 to 4:30." *Id.* Task Force Counsel asked Chadwick why he noted Casey's late arrival at the afternoon session on July 28 when he did not appear to note late arrivals for any other conferees. In response, Chadwick explained that he was personally excited that Casey was going to be at the conference because "here was a guy who was working with 'Wild Bill' [Donovan]!" *Id.* In any event, the accuracy of Chadwick's handwritten annotation is supported by its uniqueness. Only one box out of more than one thousand shows when a conferee arrived at, or departed, an event, and that is the entry for Casey's initial arrival at 4:00 p.m. on July 38. The Task Force believes that Chadwick, excited about the appearance of an associate of 'Wild Bill' Donovan's, made a special point of recording Casey's arrival on his chart.

242. Robert Dallek Deposition (Aug. 24, 1992) at 13–15 (hereinafter "Dallek Dep.").

243. *Id.* at 13–15.

244. *Id.* at 12, 14, 45–46.

245. Murray Dep. at 5–6.

246. *Id.* at 6–7.

247. *Id.* at 6–7.

248. *See* Sir James Murray Deposition (June 12, 1992) at 10 (hereinafter "Murray Dep."); Chadwick Int. at 14; Jones Dep. at 5; Dallek Dep. at 55–58; Donald Cameron Watt Interview (June 23, 1992).

249. Dallek Dep. at 55–58; Jones Int. at 5; Murray Dep. at 10. Sir James Murray recalled that he introduced Casey to the woman who later became his wife. Murray Dep. at 10. Professor

Dallek testified that he took a long walk with Casey through the Imperial War Museum during the reception, during which they reviewed exhibits of World War II-era weaponry. Dallek Dep. at 55–58. Dallek also identified a photograph of Casey, Dallek, Arthur Funk, Martin Blumenson, and Blumenson's wife, which was taken during the reception. *Id.* at 58–59. *See* App. at 473 (photograph taken at reception).

250. Jones Dep. at 5–6. Mr. Deutsch was one of the American professors attending the conference. *See* also Arthur L. Funk Interview (Dec. 24, 1992) at 5.

251. *Id.* at 5. Professor Jones made an entry in his diary regarding the event, which he showed to Task Force counsel. *Id.* at 9.

252. *Id.* at 6.

253. *See* App. at 474. The invoice was among Casey's personal records at his McLean, Virginia home.

254. As described on the invoice, the titles of the books are *Special Operations Europe; Top Secret; Who Dares Wins;* and Master of Deception. Bernadette Casey Smith, William Casey's daughter, testified that Hatchard's was her father's favorite book store in London. Smith Dep. at 96–97. Illustrative of Casey's penchant for book-buying, Ms. Smith also testified that when Casey was DCI, "every place he stopped he had—they had to do two things: the Catholic Church and the book store. He always got to the book store." *Id.* at 98.

255. Jones Int. at 5.

256. Chadwick Int. at 21.

257. Dallek Dep. at 22–23, 59.

258. *Id.* at 23.

259. *Id.* at 23–24.

260. *Id.* at 24.

261. *Id.* at 24–25, 60; Chadwick Int. at 15.

262. *See* App. at 459–462.

263. Murray Dep. at 6-8. Murray testified that he and Casey were at a table with "a number of other people," but he could not remember the names of these individuals. *Id.* at 9.

264. *Id.* at 9.

265. *See* App. at 459–462.

266. Chadwick Int. at 16.

267. Murray Dep. at 11.

268. *See* App. at 475.

269. Jonathan Chadwick testified that "it turned out that [Casey] had gone sometime on the 29th," but he did not elaborate on the basis for this comment. Chadwick Int. at 16.

270. *See* App. at 476. Some published accounts concerning the allegations under investigation have suggested that Casey's evening engagement at the Alibi Club was a private dinner between George Bush and Casey, and that the purpose of the dinner related to Casey's attendance at secret meetings in Madrid. *See* G. Sick, *October Surprise* at 81; *Nightline: The October Surprise,* ABC News, June 20, 1991, at 4. This theory is refuted by a telephone message that Justine Marks, a secretary at Reagan campaign headquarters, took for James Baker on the afternoon of July 24. This message, which was from Jennifer Fitzgerald, stated as follows: "Amb. Bush. Informal dinner party [at] Alibi Club July 30, 1806 I. ST. N.W. 6:45 p.m. till 9 p.m. STAG." See App. at 477.

271. *Nightline: The October Surprise,* ABC News, June 20, 1991, at 4.

272. *See* subsection B, *supra.*

273. *Id.;* Khan Dep. at 63–64.

274. Selecting August 15 as the beginning of the second Madrid meetings is based on the Task Force's analysis that July 29—when "Abdullah Hashemi" checked out of the Plaza Hotel—is the most likely end date for the first round of meetings.

275. Khan Dep. at 123.

276. *See* App. at 386 for a complete picture of Casey's whereabouts during August 1980.

277. *See* App. at 478 (signed American Express receipt).

278. *See* App. at 479.

279. *See* App. at 480.

280. *See* App. at 481. Bernadette Casey Smith testified that she and her mother did not often go to the Creek Club during the summer of 1980, and that the most plausible explanation of the August 8 charge is that they were incurred by Bill Casey and/or a guest with Casey. Smith Deps. at 90. Owen Smith testified that Bernadette "would not have had the right to sign because she was not a minor [in 1980] and her mother would not have gone there alone." Smith Deps. at 90.

281. Frank Fahrenkopf Interview (Dec. 21, 1992) (hereinafter "Fahrankoph Int.") (adopting memo of interview under oath as accurate); Frederick K. Beibel Interview (Dec. 21, 1992) (adopting memo of interview under oath as accurate) (hereinafter "Biebel Int."). Biebel also recalled that Casey stayed at the Pheasant Run Restaurant outside of Chicago, where the conference was held and where Beibel and his wife stayed.

282. *See* App. at 482.

283. Fahrenkopf Int.; Biebel Int.

284. Biebel had a specific recollection that, upon leaving Chicago, Casey discovered that he had left his return airline ticket at the hotel. He further recalled that Casey had a new ticket printed at O'Hare Airport, and that he and Casey flew back together to Washington on the same flight. Biebel Int.

285. Casey Dep. at 14; *see also* Transcript, *Frontline: Investigating the October Surprise,* Apr. 7, 1992, at 3.

286. *Id.* at 14.

287. *See* App. at 483.

288. Transcript, *Frontline: Investigating the October Surprise,* PBS, Apr. 7, 1992, at 3.

289. *See* App. at 484.

290. *See* App. at 486.

291. A search by the U.S. Customs Service of customs declarations forms processed in 1980 did not produce a single match for a William Casey with the date of birth of March 13, 1913. *See* Memorandum from Rod MacDonald, Director, Office of Enforcement Systems, to Jim King, Office of Enforcement, U.S. Customs Service, (Dec. 10, 1992). *See* App. at 485. According to this search, someone by the name of William Casey arrived in Montreal at noon on August 11, 1980. This entry does not include a date of birth for the individual in question, however, and the Customs search revealed that there were numerous individuals with the name of William Casey who submitted declarations forms in 1980. Thus, there is no evidentiary basis to link the U.S. Customs entry for August 11, 1980, to the William J. Casey who served as Ronald Reagan's campaign manager. Further, as noted above, credible testimony from Frank Fahrenkopf and Frederick Biebel—corroborated by Casey's calendars indicate that he was attending the national conference of Republican State Chairman on August 11, 1980.

292. Pottinger testified that he is "virtually certain" that he made this call. Pottinger Dec. 29 Dep.

293. *Id.* Two other calls lasting 3 minutes each were also made on August 3 from Pottinger's office to Hashemi's office.

294. *Id.*

295. *Id.*

296. *Id.*; *see also* Letter from T. Barry Kingham to E. Lawrence Barcella, Esq. (Nov. 2, 1992). *See* App. at 401.

297. Pottinger Dec. 29 Dep.

298. *Id.*

299. *Id.*

300. *Id.*

301. *Id.*

302. *Id.*

303. Pottinger's time sheets for August 18, however, show that he phoned Cyrus Hashemi on that date. *Id.*

304. *See* App. at 487.

305. *See* App. at 488.

306. Margaret Gregg Deposition (Sept. 17, 1992) at 13 (hereinafter "M. Gregg Dep.").

307. *Id.*

308. *Id.* at 13–14.

309. *See* App. at 487.

310. *See* App. at 488. The calendar entry also indicates that Mrs. Gregg's aunt and uncle were present at brunch. M. Gregg Dep. at 14.

311. *Id.* at 13, 26–28.

312. Donald Gregg Deposition (October 21, 1992) at 9 (hereinafter "D. Gregg Dep."). Gregg added that the Department of Defense, in response to a Freedom of Information request, has confirmed his presence at Camp Perry on July 28, 1980. D. Gregg Dep. at 10–11.

313. *Id.* at 11.

314. *Id.* at 19–20; M. Gregg Dep. at 27–28.

315. *Id.* at 11–12. Mr. Gregg also testified that one of the American hostages in Iran was a close friend of his. *Id.* at 13. In a previous written response to questions from the Senate October Surprise investigation, Gregg testified that the idea that he would delay his friend's release in any way was "particularly repugnant to me personally." Letter from Donald P. Gregg to Senators Terry Sanford and James Jeffords (June 26, 1992) at 4. *See* App. at 489–493.

316. D. Gregg Dep. at 2.

317. *Id.* at 3.

318. *Id.* Gregg testified that Gary Sick had primary responsibility on the NSC for the Iranian hostage crisis. *Id.*

319. Samuel Hoskinson Deposition (Oct. 27, 1992) at 4–5 (hereinafter "Hoskinson Dep.").

320. *Id.* at 14. Hoskinson added that Donald Gregg was a member of the NSC's senior staff who would "answer directly to Brzezinski." *Id.* at 15.

321. *Id.* at 15.

322. George Cave Dep. (Oct. 30, 1992), at 13–14.

323. *Frontline: Investigating the October Surprise,* PBS, Apr. 7, 1992.

324. *See FBIS Daily Report on South Asia* (editions for July 23-August 18, 1980).

325. Tehran IRNA in English, May 31, 1985; Tehran Domestic Service, May 30, 1985.

326. Madani Dep. at 93, 119, 122–23. Madani told the Task Force that this was the first time he met Hassan Karrubi. *Id.* at 119.

327. *Id.* at 122.

328. *Id.* at 119–20.

329. *Id.* at 130–31. Madani added that he has never met with Mehdi Karrubi outside of Iran, and that he has no knowledge that Mehdi Karrubi has ever traveled outside of Iran. Madani probably was referring to 1980, as he later indicated that he had met with Mehdi Karrubi outside of Iran some time after 1980. Houshang Aryanpour Telephone Interview (Dec. 29, 1992). Madani also indicated that the only Karrubi with whom he met in 1980 was Hassan, not Mehdi. *Id.*

330. Sadegh Tabatabai Deposition (Nov. 5, 1992) at 20–21. Ayatollah Khomeini's son married Tabatabai's sister, and two of Khomeini's grandchildren are married to two of Tabatabai's brothers. *Id.* at 3. During the period of late November 1979 and February 1981, Tabatabai served as Deputy Minister President and spokesman for the Iranian government. *Id.*

331. *Id.* at 9.

332. *Id.* at 9. Tabatabai had no opinion on whether Karrubi's brother, Hassan, might have traveled to Madrid. *Id.*

333. *Id.* at 9.

334. Hamid Reza Naghasian Interview (Nov. 20, 1992).

335. *Id.*

336. *Id.*

337. *Id.*

338. *Id.*

339. *Id.*

340. Aryanpour Dep. at 117. Aryanpour observed that Mehdi Karrubi had assisted Khomeini while he was in exile prior to the Iranian revolution. *Id.*

341. *Id.* at 119.

342. *Id.* at 117–118.

343. *Id.* at 118.

344. *Id.* at 118.

345. *Id.* at 118–119. Aryanpour surmised that "I don't even think that Khomeini knew that [Hassan Karrubi] exists." *Id.* Aryanpour did testify, however, that Hassan was in contact with Cyrus and Jamshid Hashemi, and that Jamshid would provide Hassan with lodging whenever Hassan travelled to London. *Id.* at 120, 122–23. Similar testimony regarding the relationship between Hassan Karrubi and Jamshid Hashemi was provided by Homa Hashemi, Cyrus Hashemi's former wife. Homa Hashemi Dep. at 68.

346. Interview with Shirah Neiman, Assistant U.S. Attorney, Southern District of New York.

347. Memorandum for the Record by Lee S. Strickland, Assistant General Counsel (Feb. 7, 1984). *See* App. at 494-497.

348. *See* App. at 498-499 (Letter from Jamshid Hashemi to Arnold Raphel).

349. Interview with Shirah Neiman, Assistant U.S. Attorney, Southern District of New York.

350. William Wachtel Interview (Oct. 26, 1992) (hereinafter "Wachtel Int.").

351. *Id.*

352. *Id.*

353. *Id.*

354. *See* Section XI, *infra.*

355. Elliot Richardson Deposition (Sept. 16, 1992) at 20 (hereinafter "Richardson Sept. 16 Dep.").

356. *Id.* at 16, 22-23.

357. *Id.* at 43.

358. *Id.* at 20-21.

359. *Id.* at 21.

360. *Id.* at 10-11.

361. *Id.* at 26.

362. *See* G. Sick, *October Surprise* at 85.

363. Madani Dep. at 123-24, 130-31.

364. *Id.* at 125-26. Sick, also under oath, reaffirmed that in the course of an interview, Admiral Madani told him that he had knowledge of the Hashemi brothers' 1980 activities, including "Madrid and all that". Sick Dep. (Nov. 21, 1992), at 31.

365. Transcript, *Frontline: The Election Held Hostage,* PBS, Apr. 16, 1991, at 8.

366. Arif Durrani Deposition (Sept. 30, 1992) at 61-63, 66, 81.

367. *Id.* at 71-72.

368. *Id.* at 69-71.

369. *Id.* at 67-68, 74-76, 89.

370. *Id.* at 55, 82.

371. *Id.* at 89-90.

372. *Id.* at 85.

373. *Id.* at 96-97. When pressed further by counsel, Durrani said that he "probably . . misunderstood" the reporter's question. *Id.* at 97. Durrani subsequently stated that he has "no direct knowledge" of any meetings at which Casey was present in 1980. *Id.*

374. *Id.* at 99-100.

375 G. Sick, October Surprise at 85 & 251 n.29.

376. For example, Rupp testified that he was "not sure" whether William Casey was on board a flight he claimed to have made to Madrid during the summer of 1980. Heinrich Rupp Deposition (Oct. 8, 1992) at 58 (hereinafter "Rupp Dep.").

377. *Id.* at 176–77. When asked whether he had ever told anyone that he had flown Bill Casey to Madrid in 1980, Rupp responded, "I don't think so." *Id.* at 177.

378. *Id.* at 179.

379. *Id.* at 179–80.

380. *Id.* at 30.

381. *Id.* at 30–31, 85–86.

382. Written submission furnished by the Government of Israel to the Task Force (hereinafter "GOI Report"). See App. at 500-563. During the period of 1980-82, Eitan served as the advisor on counterterrorism to the Israeli Prime Minister. *Id.*

383. *Id.* Saguy served as Director of Israeli Military Intelligence of the Israel Defense Forces between February 1979 and August 1983. *Id.*

384. *Id.*

385. See App. at 500–563.

386. *Id.*

387. *Id.*

388. *Id.*

389. *Id.*

390. *Id.*

391. Ben-Menashe's military records indicate that there were only six slots in his unit, and that his slot was shifted "on paper" in order to make room for another translation.

392. GOI written submission.

393. *Id.*

394. According to Israeli Defense Force records, for example, Ben-Menashe went abroad on March 3, 1979, to Cyprus and Greece and in July 11, 1979, to the United States and Canada. *Id.* In 1980, Ben-Menashe went on personal leave from April 15, 1980 through May 5, 1980. Throughout July and August 1980, he was in Israel. *Id.*

395. *Id.*

396. *Id.*

397. *Id.*

398. *Id.*

399. *Id.*

400. *Id.* Saguy, moreover, told Israeli authorities that Ben-Menashe never participated in any discussion held in Saguy's presence. *Id.*

401. GOI written submission.

402. *Id.*

403. *Id.* Kashani, for his part, denies that he has ever met Ben-Menashe, although he says that he did travel to Israel in 1980. The Task Force located Kashani in Madrid. He refused both to permit the interview to be tape-recorded or to swear or affirm to its accuracy. Consequently, the Task Force does not credit or rely on the interview.

404. Earl Brian Deposition before Senate Foreign Relations Subcommittee on Near East & South Asian Affairs (Jul. 28, 1992) at 12.

405. Francisco J. Carmona Interview, Passport Agency, U.S. Department of State (July 29, 1980).

406. Brenneke 1990 calendar (Nov. 2, 1990) lines 34–38. *See* App. at 564.

407. In an interview in 1991 with Joel Bleifuss, Ben-Menashe said that he was the author of the note that Lavi had first claimed in 1988 to have been his (*i.e.,* Lavi's) note. That note was published in Barbara Honegger's 1989 book, *October Surprise.* B. Honegger, *October Surprise* at 16. In addition, Lavi had provided the note to other journalists in early 1989 including Steven Emerson, then with U.S. News and World Report. Reporter's notes provided to Task Force by Steven Emerson (Sept. 1992). Gary Sick later alleged that the note was actually "discovered by journalist Robert Parry in 1990 among a jumble of papers in the briefcase of Ari Ben-Menashe while Ben-Menashe was in custody in New York." G. Sick, *October Surprise* at 120.

408. Richard Babayan Deposition (Sept. 19, 1992) at 18. Babayan claimed that except for William Casey, Baranriz did not tell him the names of any other participants at the Madrid meetings. *Id.* at 15–16.

409. *Id.* at 31.

410. *Id.* at 31. Babayan testified that Baranriz "may have told me but I don't remember." *Id.*

411. *Id.* at 5, 7.

412. *Id.* at 27–28.

413. *Id.* at 29.

414. When asked whether his Paris "sighting" of Casey could have taken place in July 1980, Babayan maintained his position that it had occurred in July. *Id.* at 30.

415. *See* Letter from Terry O'Connor, Inspector in Charge, Federal Bureau of Investigation, to Hon. Lee Hamilton (Oct. 27, 1992) (criminal record check evidencing arrests in Florida for crimes ranging from insufficient funds to grand larceny, racketeering, securities fraud, and misrepresentation to acquire narcotics). *See* App. at 574–580.

416. Khan Dep. at 14–16.

417. *Id.* at 62–63; *Id.* at 77–78, 81.

418. Islam Kazemieh Interview (Nov. 22, 1992).

419. *Id.*

420. *Id.* Kazemieh and others also informed the Task Force that Jamshid had ties to the Iraqi government dating back to a period preceding the fall of the Shah, when Jamshid made anti-Shah radio broadcasts from Baghdad. *Id.*

421. Kazemieh's testimony is also corroborated by credible testimony from another Iranian national whose identify the Task Force agreed to protect.

422. Aryanpour Dep. at 105. Aryanpour had taken political refuge in Germany with Madani in early October 1980 after the two men fled Iran and spent interim periods of refuge in Istanbul and Lisbon. *Id.* at 83, 93–94.

423. *Id.* at 95–96.

424. *Id.* at 93, 106.

425. *Id.* at 105–106.

426. *Id.* at 105–106. Ahmadi told Aryanpour that he saw Jamshid in Baghdad after the Iran-Iraq war had begun. *Id.* at 106.

427. FBI Electronic Surveillance of Cyrus Hashemi (Nov. 14, 1980).

428. *Id.* Cyrus Hashemi told Aryanpour that he "had not hear at all" about this matter. *Id.* When asked whether Madani had approved this letter, Aryanpour testified that "I know anybody fighting with Iran, destroying Iran, killing Iranians, has no place with Madani I don't think Madani would ever write a letter to a man who has invaded Iran, who has destroyed part of Iran." Aryanpour Dep. at 107.

429. Khan Dep. at 34.

430. *Id.*

431. *Id.* at 39.

432. Mahmoud Moini-Eraghi Deposition (Oct. 15, 1992) at 35–37, 51–52, 59 (hereinafter "Moini Dep."). According to Moini-Eraghi, Jamshid was particularly galled by the fact that Moini-Eraghi had used Jamshid's office telephone in Stamford, Connecticut to make arrangements for Passindideh to attend the meeting in Madrid. *Id.* at 35–37. According to Moini-Eraghi, Jamshid knew in advance that a meeting with Passindideh was being arranged, and that Moini-Eraghi was going to attend the meeting. *Id.* at 36, 51.

433. *Id.* at 36, 51.

434. *Id.* at 36–37, 51. Moini-Eraghi testified that Jamshid "told me I had been a traitor. You have been with me and you were supposed to do joint business and you have done it with Cyrus and Cyrus is junk. Why you went with Cyrus? I have a very brilliant future and you have missed me . " *Id.* at 37.

435. *Id.* at 52, 60.

436. *Id.* at 60.

437. Pottinger Aug. 5 Dep. at 144.

438. Pottinger Dec. 29 Dep.

439. Pottinger Dec. Telephone Dep. at 10–11. Pottinger prepared the chronology for Elliot Richardson "as a resource for [Richardson's] upcoming meetings with attorneys and State De-

partment officials" on behalf of Cyrus Hashemi. Undated cover memorandum to Pottinger chronology of hostage-related events (hereinafter Pottinger Chronology). *See* App. at 565–571.

440. Pottinger Chronology (cover memorandum). Pottinger confirmed to the Task Force that the "interviews with Cyrus Hashemi" referenced in the cover memorandum are interviews that he conducted with Hashemi in 1980. Pottinger Dec. 22 Dep. at 10–12.

441. Pottinger Chronology at 44–48. *See* App. at 565–571.

442. Martin Kilian Interview (July 23, 1992). Kilian declined to meet with the Task Force again for a formal depositon. On November 17, 1992, the Task Force sent a letter to Kilian, asking him to meet with the Task Force staff and discuss his meetings with several of the individuals who have advanced October Surprise allegations. *See* App. at 329–330. The Task Force received no response from Kilian.

443. *Id.* Kilian's testimony was corroborated by Gary Sick, who testified that Kilian had informed him about Kilian's May 1989 interview with Jamshid, and that Kilian did not mention any comments by Jamshid about meetings in Madrid between Casey and Mehdi Karrubi. Sick Dec. 21 Dep. at 3–4.

444. Khan Dep. at 89–92. When confronted by counsel with a transcript from the June 20, 1991, *Nightline* broadcast, in which Ted Koppel reports that Jamshid mentioned Cyrus Hashemi's attendance at meetings in Paris, Jamshid denied telling Koppel about the Paris meetings, then promptly asked for a recess to consult with his counsel. Khan Dep. at 90–91. After returning from the recess, Jamshid again denied that Cyrus had ever told him he attended meetings in Paris. *Id.* at 91–92.

445. *Id.* at 71–73, 123.

446. *Nightline: The October Surprise*, ABC, June 20, 1991, at 2.

447. Khan Dep. at 60.

448. *Id.* at 61–62.

449. Transcript, *Frontline: The Election Held Hostage*, PBS, Apr. 16, 1991, at 7. In addition, Gary Sick testified that Jamshid made it clear to him during their interviews that Casey had agreed with Karrubi to delay the release of the hostages in return for the incoming Reagan Administration's assistance in facilitating arms shipments to Iran. Sick Dec. 21 Dep. at 14–16.

450. Khan Dep. at 130–31.

451. Transcript, *Nightline: The October Surprise*, ABC, June 20, 1991, at 2.

452. Khan Dep. at 102, 120–22.

453. Mahmoud (Max) Moini-Eraghi testified that Jamshid Hashemi "was never telling truth to anybody." Moini Dep. at 88. George Cave, an expert on Iranian affairs at the CIA, testified that he informed a senior Agency official in 1980 that "we were dealing with a world class sleaze" given Jamshid's documented history of prevarication. George Cave Dep. (Oct. 30, 1992) at 8. Admiral Houshang Aryanpour, in a telephone conversation with Cyrus Hashemi on November 14, 1980, told Cyrus that Jamshid "has published a circular on behalf of the National Front Party," and that "the signatures were forgeries." FBI Electronic Surveillance of Cyrus Hashemi (Nov. 14, 1980). Charles Cogan, who served as Chief of the Near East Division of the CIA's Directorate of Operations during the 1979–1980 period, has characterized Jamshid as "a swindler." Charles Cogan Testimony before Senate Committee on Foreign Relations Subcommittee on Near East & South Asian Affairs (June 25, 1992).

454. Madani had known Cyrus and Jamshid Hashemi from their days in the early 1950's in Tehran, where their families were neighbors. Madani Dep. at 14, 17.

455. *See, e.g.*, Action Memorandum from Harold Saunders to the Secretary of State, through David Newsom (Jan. 2, 1980); CIA Investigative File (Document dated Dec. 28, 1979). *See* App. at 781–793. According to Frank Anderson, who then worked on Iranian affairs for the CIA, the Hashemi brothers had been brought to the attention of the CIA by Harold Saunders, the Assistant Secretary of State for Near Eastern and South Asian Affairs. Frank Anderson Deposition (Oct. 27, 1992) at 5. Saunders had told the Agency that the Hashemis could contribute to the political advancement of Madani, who, at the time, was a candidate for the presidency of Iran. *Id. See also* section V, *supra*, regarding the Hashemi channel.

456. CIA Investigative Files (chronology prepared in August 1983).

457. State Dept. Memorandum (Jan. 28, 1980). *See App. at 572–573.*

458. CIA Investigative Files (chronology prepared in Aug. 1983).

459. CIA Investigative Files (chronology prepared in Aug. 1983); CIA Memorandum (Feb. 17, 1980).

460. *Id.*

461. *Id.*

462. CIA Investigative Files (chronology prepared in Aug. 1983).

463. *Id.*

464. Madani Dep. at 53–56. Houshang Aryanpour Deposition (Sept. 1, 1992), at 54–56. Aryanpour also testified that he has no knowledge of any letters from Madani to U.S. government officials in 1980, and Madani never mentioned such letters to him. Aryanpour Dep. at 55–56.

465. Anderson Dep. at 23, 47; CIA cable dated (Jan. 5, 1981).

466. *Id.* at 49. Frank Anderson, who had contemporaneous knowledge of these events, testified that he had no recollection that Jamshid ever evidenced any acquaintance with Casey or other officials of the incoming Reagan Administration. Anderson Dep. at 11.

467. *Id.* at 49.

468. *Id.* at 9.

469. *Id.* at 50.

470. Anderson Dep. at 8. At that time (January 1980), Madani indicated that he would still utilize Cyrus Hashemi and Stanley Pottinger as his channel to the State Department. CIA cable (Jan. 22, 1981).

471. Insofar as Jamshid has alleged that certain names appearing on the Plaza Hotel records are alias names that Cyrus used, the proposition that Cyrus was in Madrid during the relevant time period is refuted by strong circumstantial evidence, and some documentary evidence, that Cyrus was in the United States at the time.

472. See Section VII, *infra*, regarding allegations that there was indirect contact between Casey and Hashemi through the auspices of John Shaheen.

473. G. Sick, *October Surprise* at 76. Sick testified that the date of March 1980 was derived from Jamshid's recollection that he had gone to see Cyrus Hashemi at his Connecticut home on Now Ruz, the Iranian New Year, and that he had told Cyrus about the hotel encounter with Casey on that occasion. Gary Sick Deposition (Dec. 18, 1992), at 13–14. Since Now Ruz always occurs on March 21, and Jamshid did not think more than three weeks had elapsed between the meeting with Casey and the holiday, Sick calculated that the Mayflower meeting took place at some earlier point in March. Id. at 13–15.

474. Sick Dec. 18 Dep. at 17; G. Sick, *October Surprise* at 76.

475. G. Sick, *October Surprise* at 76; Sick Dec. 18 Dep. at 17. Jamshid first mentioned the Mayflower incident to Sick when Sick met with him in London in October 1990. Memorandum from Gary Sick to E. Lawrence Barcella, Jr. (Dec. 19, 1992) at 1–2. See App. at 581–584. To the best of Sick's knowledge, Jamshid is the exclusive source for the story of the Mayflower meeting. Sick Dec. 18 Dep. at 21–23.

476. G. Sick, *October Surprise* at 76–77.

477. *Id.* at 77; Sick Dec. 18 Dep. at 18–19.

478. G. Sick, *October Surprise* at 77.

479. *Id.*

480. *Id.*; Sick Dec. 18 Dep. at 15. Memorandum from G. Sick to E. Lawrence Barcella, Jr. (Dec. 19, 1992) at 2.

481. Memorandum from G. Sick Memorandum to E. Lawrence Barcella, Jr. (Dec. 19, 1992) at 2. Sick Dec. 18 Dep. at 16; *see* G. Sick, *October Surprise* at 77.

482. Gary Sick, for his part, also never received any independent corroboration of Jamshid's account of the incident. Sick Dec. 18 Dep. at 26.

483. Roy M. Furmark Deposition (Nov. 24, 1992) at 26-27 (hereinafter "Furmark Dep."). Furmark also said that two or three years ago, he told *Der Spiegel* journalist Martin Kilian that the allegations were untrue. *Id.* at 25-27, 100-101.

484. *Id.* at 86, 89.

485. *Id.* at 92, 94; *See* App. at 585. Upon reviewing Furmark's 1980 calendar, the Task Force could find no evidence that he traveled to Washington, D.C. on any other dates in 1980.

486. Furmark Dep. at 94-96. Furmark's only recollection of visiting the Mayflower is that he stayed as a guest at the hotel during one of Richard Nixon's inaugurations (*i.e.*, in 1969 or 1973). *Id.* at 95.

487. *Id.* at 96. Furmark further testified that in none of his contacts with Casey did Casey ever mention the names of Cyrus or Jamshid Hashemi, and that he has no knowledge of any contact between Casey and either of the Hashemi brothers. *Id.* at 96-97. Jamshid, who would have future business dealings with Furmark and knew that Furmark and Casey were acquainted, never indicated to Furmark that he had prior contact with Casey. *Id.* at 98.

488. Charles Cogan Deposition (Dec. 21, 1992) (hereinafter "Cogan Dep.").

489. Khan Dep. at 46-47, 97-98.

490. *Id.* at 129.

491. *Id.* at 45, 98.

492. Testimony of James Khan [Hashemi legally changed his name] before Subcommittee on Near Eastern and South Asian Affairs of the Senate Committee on Foreign Relations (June 24, 1992) at 123.

493. *Id.* at 127.

494. G. Sick, *October Surprise* at 34 & 243 n.43; *see* Memorandum from G. Sick to E. Lawrence Barcella, Jr. (Dec. 19, 1992) at 2.

495. D. Gregg Dep. at 2. Gregg is currently U.S. Ambassador to the Republic of Korea.

496. G. Sick, *October Surprise* at 34; Sick Dec. 18 Dep. at 32.

497. G. Sick, *October Surprise* at 34-35.

498. *See Id.* at 34. When Bush was the chief U.S. liaison officer to the People's Republic of China in the mid-1970s, Gregg reportedly was CIA station chief in China. *Id.* Gregg joined Vice-President Bush's staff as Bush's national security advisor in 1982. *Id.*

499. D. Gregg Dep. at 19-20.

500. *Id.* at 19.

501. Khan Dep. at 96-97. Jamshid allowed for the possibility that Cyrus may have had contact with Gregg, although he acknowledged that he has not proof of such contact. *Id.* at 97.

502. Sick Dec. 18 Dep. at 26. Robert Keith Gray is a prominent Republican who later worked on the 1980 Reagan campaign. The name "Robert Gray" appears on tax records of the Plaza Hotel in Madrid during the time period of the alleged meetings in Madrid between William Casey, the Hashemi brothers, and representatives of the Iranian government. *See* subsection A, *supra.*

503. Sick Dec. 18 Dep. at 26, 29.

504. *Id.* at 26-27. Sick and Gregg were colleagues on the National Security Council staff during the Carter Administration. *Id.* at 37-39.

505. *Id.* at 32.

506. Sick testified that he was "fairly confident" that Jamshid made his original allegations about a meeting between Gregg and the Hashemi brothers in New York before records from the Plaza Hotel in Madrid were obtained which included the name "Robert Gray" The discovery of those records prompted media speculation that the "Robert Gray" whose name appeared in the hotel records around the time of the alleged Madrid meetings was the same Robert Gray who worked on the 1980 Reagan campaign. *See* Transcript, *Nightline: The October Surprise,* ABC, June 20, 1992, at 3.

507. Stoffberg was interviewed under oath on November 19 and 21, 1992 in Pretoria, Republic of South Africa.

508. Reiner Jacobi remains under indictment in the Southern District of Florida for conspiracy to import hashish into the United States. Following the failure by the United States to secure his extradition from Hong Kong on those charges, Jacobi refused to be interviewed by the Task Force. He remains outside the country. *See* Letter from Douglas Williams, Esq. to E. Lawrence Barcella, Jr. (Dec. 4, 1992). *See* App. at 586-587.

509. During this period of time, CIA files reflect that Jacobi was not a confidential source.

510. Dirk Stoffberg Interview (November 19, 1992) at 3 (hereinafter "Stoffberg Nov. 19 Int.").

511. *Id.* at 3.

512. *Id.* at 3.

513. *Id.* at 6.

514. It is interesting to note that the attorney representing Mr. Stoffberg, Thomas F.X. Dunn, had also represented Ari Ben-Menashe earlier that year both in his successful trial in the Southern District of New York and when he met with Senate and House staff regarding the nomination of Robert Gates to head the CIA.

515. *See* Stoffberg Int. (Nov. 21, 1992) (hereinafter "Stoffberg Nov. 21 Int.").

516. *See* Letter to Judge Weinstein (Jan. 10, 1992). *See* App. at 588.

517. *See* Transcript, *United States v. Stoffberg,* No. CR-91-524 (E.D.N.Y. Jan. 14, 1992) at 31. *See* App. at 589-620. At the time of his sentencing, the judge was informed that the Department of Justice was unaware of what information Mr. Stoffberg had provided the Congressional investigators because, according to Stoffberg's counsel, the Congressional investigators "...didn't want that information out." *Id.* at 22.

518. Jean Wadell, secretary to the Anglican Bishop of Tehran was arrested on August 10, 1980, while John & Audrey Coleman, also connected with the Anglican Church, were arrested on August 13, 1980. *The Iran Hostage Crisis—A Chronology of Daily Developments,* CRS at 263, 265.

519. In a sworn affidavit dated January 4, 1992, Stoffberg states that he was contacted by British Intelligence six weeks after the commencement of the British hostage negotiations. Thus, assuming the negotiations began the day after the hostages were taken captive, the alleged meeting with Casey would have to have been in mid-October, 1980. Stoffberg's passport indicates no entry stamps for the United Kingdom during October 1980.

520. Ben-Menashe Dep. at 37.

521. The Task Force asked the Marriott to check its guest records for this time period. Unfortunately, guest records are routinely destroyed after two years.

522. Ben-Menashe Dep. at 50.

523. *Id.* at 53.

524. *Id.* at 55.

525. *Id.* at 56.

526. *Id.* at 57. Ben-Menashe did not explain what role Casey could play at this juncture with respect to the lifting of the Carter administration's asset freeze.

527. *Id.* at 59. Ben-Menashe also claimed that Begin called Casey about the meeting.

528. *Id.* at 61.

529. *Id.* at 62.

530. *Id.* at 63–64.

531. *Id.* at 64.

532. GOI Report at 55. *See* App. at 500.

533. David Kimche, Shmuel Morieh, and Uri Simhoni.

534. GOI Report at 38–39.

535. Richard Babayan Deposition (Sept. 18, 1992) at 32 (hereinafter "Babayan Dep.").

536. *Id.* at 32.

537. *Id.* at 33.

538. Tabatabai Int. at 14.

539. Kilian Int. at 1.

540. *See, e.g.*, G. Sick, *October Surprise* at 113.

541. Karl Heinz Ottershagan was arrested in West Germany in the mid 1980's for selling arms to Iran. Kilian Int. at 1.

542. *Id.* at 1.

543. *Id.* at 1–2.

544. *Id.* at 2. Neither Benes nor Stoffberg made mention of the involvement of Henry Kissinger in their Task Force interviews.

545. As discussed elsewhere in this report, Tabatabai denied any knowledge of these European meetings. Tabatabai Int. at 14.

546. As reported elsewhere in this report, de Marenches specifically denied knowledge of such a meeting. de Marenches Int. at 1.

547. Kilian advised the Task Force that he could not determine whether this person was truthful or trying "to sucker" him for money for the story.

548. With respect to the accuracy of at least one such article, *see* letter of Laurence Silberman reproduced in pertinent part *infra*.

549. W. Safire, *Enough Already*, New York Times, Nov. 24, 1986 at A-19.

550. Laurence Silberman Senate Deposition at 49–50 (hereinafter "Silberman Sen. Dep."). While Silberman testified that he did not tell Safire the individual was an Iranian he seemed "sure [Allen] told [Safire] that." Laurence Silberman Deposition (Dec. 31, 1992) at 10 (hereinafter "Silberman Dep.").

551. A. Chardy, *Reagan Aides Held Hostage Talks in 1980*, Miami Herald, Apr. 12, 1987, at A-1.

552. Ben-Menashe Dep. at 63–4. Gary Sick states that the purpose of the L'Enfant Plaza meeting was born out of Israeli uneasiness about their involvement in U.S. domestic politics resulting from the Casey-Karrubi meetings in Madrid. Israel is said to have noted Carter's rise in the polls and became apprehensive. If they were caught having dealt with the Republicans it would be devastating for their long term interests. Hence, Israel attempted "to short-circuit the entire problem by arranging a swap that would end the hostage crisis before the election." G. Sick, *October Surprise* at 121. No mention is made of an Amsterdam meeting as the triggering event for the L'Enfant rendezvous.

553. Ben-Menashe Dep. at 50, 52–54, 56.

554. *Id.* at 54.

555. Ben-Menashe claims that CIA Director Stansfield Turner was also briefed by Saguy about the results of the Amsterdam meeting. *Id.* at 60–62. The Task Force found no evidence to support this assertion.

556. *Id.* at 63, 64.

557. Task Force could not locate Omshei; he is thought to be in Iran.

558. All applications by Iranians for visas are referred to the Bureau of Consular Affairs, Washington, D.C. by the overseas posts where the applications are made. The names are entered into a computer data base. This was the practice in 1980 and continues today. Dr. Ahmed Omshei's name does not appear in the computer data base.

559. Accompanying Omshei and Ben-Menashe from New York to Washington, D.C. was a woman working with the Mossad whose last name was unknown but whose first name was Tsipora. Ben-Menashe Dep. at 68.

560. *Id.* at 67.

561. Ari Ben-Menashe Senate Deposition (June 25, 1992) at 8–9. *See* App. at 621.

562. *Id.* at 12.

563. Ben-Menashe Dep. at Exhibit No. 4.

564. *See* discussion, *infra*.

565. *See* discussion, *infra*.

566. *See* discussion, *infra*.

567. The note, however, is instructive in tracing the development of the October Surprise story. Once the note surfaced in 1989, alleged participants in the October Surprise successively claimed credit for it yet, prior to its publication, no one had ever mentioned it.

568. GOI Report at 24069, 24070. *See* App. at 562–563. These files obtained from the Israeli government, indicate that when Ben-Menashe was seeking a job in the Israeli Embassy in Washington and was asked to detail previous foreign travel, his handwritten list does not include any "October Surprise" trips (Amsterdam, Washington, Paris). While Ben-Menashe would likely say he would not list sensitive trips, he was submitting the list to the Israeli government agency that allegedly was already aware of the trips.

569. B. Honegger, *October Surprise* at 17–20 (citing June 14, 1988 Lavi Interview).

570. Lavi said he knew Silberman from covert operations when Silberman was at the CIA. *Id.* Silberman testified he did not know Lavi and he was only "at the CIA" briefly during the 1980–1981 transition period, *after* the L'Enfant Plaza meeting. Silberman Sen. Dep. at 9–10.

571. Interview by David Marks, *Frontline: An Election Held Hostage*, PTS-TV, Apr. 16, 1991 (hereinafter "Marks Int.").

572. Rogovin, a prominent Washington attorney with ties to both Republican and Democratic administrations, represented Lavi from 1979 to approximately 1986.

573. Houshang Lavi Interview by D. Marks.

574. *Id.*

575. *Id.*

576. B. Honegger, *October Surprise* at 16.

577. *Id.*

578. At the time, Rogovin was also the General Counsel to the John Anderson independent campaign for President. Mitchell Rogovin Dep. (Aug. 28, 1992) at 7.

579. Rogovin testified that he kept a diary and provided the relevant diary entries to the Task Force. *Id.* at 7.

580. *Id.* at 8.

581. Rogovin had consulted Alton Frye, the Anderson campaign foreign relations advisor. *Id.* at 10.

582. Because Rogovin had been Special Counsel to the CIA during the Church and Pike Committee hearings of 1975–1976, he was familiar with a number of people at the CIA.

583. *Id.* at 20. The following day, Rogovin noted in his diary that the "CIA finished meeting and concluded insufficient evidence to indicate Houshang has ties w/anyone to allow for future contacts with him." *See* App. at 622. Rogovin testified that this was the message he received back from the agency officer on October 3rd. Rogovin was not satisfied, however, and called David Aaron, the Deputy National Security Advisor, and explained the situation to him and why he thought that the CIA's position was strange, explaining that there were "no strings attached" and that this did not have anything to do with Lavi's troubles with the IRS. *Id.* at 18.

584. *Id.* at 23. Rogovin's notes indicated that he advised Lavi of Turner's promise to call back. *See* App. at 627.

585. *Id.* at 24. Rogovin remembered nothing more than this about those entries. Robert Carter was William Casey's assistant in the Reagan-Bush campaign. He was interviewed on July 16, 1992 and deposed on October 23, 1992. He recalled no contact with Lavi. *See* Robert Carter Deposition at 11–12.

586. *Id.*

587. Rogovin's notes for October continue:

It came down: how would Bani-Sadr get the hostages free from the militants? Hal said they had already indicated a willingness to

give supplies, suggested that our request to the Swiss in Tehran is evidence that they would follow through. Hal said that he would take it up with the seventh floor. [Meaning the Secretary and Deputy Secretary of State] We met with Hal because Chris [Warren Christopher] who was originally going to see us, requested that Hal meet with us because he was fully briefed, Aaron and Turner had already spoken to him. Hushang (sic) was very pleased as Hal was much more responsive. *Id.* at 26–27. *See* App. at 629–630.

588. Memo to the Deputy Secretary from Harold H. Saunders (Oct. 9, 1980). *See* App. at 656–657.

589. Saunders noted in the memo that Lavi "struck [him] as a thoroughly disrespectable character" *Id.* When the State Department did not embrace Lavi's idea for a parts for hostages swap, Lavi grew impatient. Although Rogovin's notes reflected certain curious questions "how are supplies moving; how is it you can do this w/Carter Admin./Reagan is his contact/no problem Lavi to D.C. this evening to dine with two former Iranian generals, and he will call me." Rogovin indicated he had no idea what the Reagan reference was, or whether it was even Ronald Reagan. *Id.* at 34–35. *See* App. at 629–630.

590. *Id.* at 37–39.

591. *Id.* at 40.

592. Department of State Memorandum (Oct. 21, 1980). *See* App. at 658.

593. *Id.*

594. *Id.*

595. For further discussions regarding Lavi's Paris allegations, *see* Section VIII, *infra.*

596. Lavi's brother, Parviz Lavi, indicated that Lavi had referred to discussions with Allen, McFarlane and Sen. John Tower in discussions concerning the hostage crisis. There is no indication of when Lavi claimed this meeting or the conversation about the meeting occurred. Moreover, many of Parviz Lavi's other statements are inconsistent with his brother's. Parviz Lavi Interview (Nov. 25, 1992) at 2.

597. The FBI was conducting a background investigation of Senator John Tower, who was under consideration for Secretary of Defense, to determine whether he had acted appropriately in arranging this meeting. In connection with this investigation, McFarlane and Laurence Silberman were interviewed. *See also* 135 Cong. Rec. S2099 (Mar. 3, 1989).

598. FBI Robert McFarlane Interview (Dec. 23, 1988).

599. *Id.*

600. *Id.*

601. *Id.*

602. *Id.*

603. Deposition of Robert McFarlane (Dec. 6, 1992) at 12–13 (hereinafter "McFarlane Dep.").

604. *Id.*

605. *Id.* at 11–12.

606. *Id.* at 17.

607. *Id.* at 15, 24–26.

608. *Id.* at 27.

609. *Id.* at 27–28.

610. McFarlane Dep. at 27–30.

611. *Id.*

612. *Id.*

613. *Id.*

614. McFarlane Dep. at 21–22.

615. Senate Interview of Rhett Dawson (Mar. 17, 1992).

616. *Id.*

617. *Id.*

618. *Id.*

619. Laurence Silberman FBI Interview (Dec. 30, 1988). Silberman was advised that he was being interviewed because of an allegation that Senator Tower was not "completely honest" in his work as head of the Tower Commission because he did not mention this incident. He made the letter in the text an attachment to his 302 report.

620. Laurence Silberman Senate Deposition (Jul. 28, 1992) at 28 (hereinafter "Silberman Sen. Dep.").

621. *Id.* at 30–37.

622. *Id.* at 44.

623. *Id.*

624. *Id.* at 32.

625. *Id.*

626. *Id.*

627. The Minority would note that Silberman was particularly sensitive to this possibility because as Deputy Attorney General under President Ford he had reviewed the secret files of J. Edgar Hoover. He learned that President Johnson in 1968 used the FBI to conduct surveillance of Vice Presidential Candidate Spiro Agnew to determine whether he was in contact with the South Vietnamese with whom the Johnson administration was engaged in peace negotiations. Silberman Sen. Dep. 32–33.

628. Silberman Sen. Dep. at 26; *see also* Silberman American Express Receipt for September 10, 1980.

629. Laurence Silberman Deposition (Dec. 31, 1992) at 4 (hereinafter "Silberman Dep.").

630. *Id.* Silberman also testified that he would most certainly have remembered if he had been introduced to a man named Lavi because it is the Middle Eastern version of Levy, which is his mother's family name. *Id.* at 5.

631. A. Chardy, *Reagan Aides Held Hostage Talks in 1980 Advisors Say They Met Reputed Iran Envoy Before Elections, But Didn't Deal,* Miami Herald, Apr. 12, 1987, at 1A.

632. *Id.*

633. *Id.*

634. *Id.*

635. Transcript, *United States v. Brenneke,* CR. No. 89–198–MAC (D. Or. May, 1990) at 464. But see Silberman's recollection above.

636. Transcript, *United States v. Brenneke,* CR. No. 89–198–MAC (D. Or. May 1, 1990) at 412, 414.

637. *Frontline: An Election Held Hostage,* Apr. 16, 1991.

638. *See* App. at 661. Allen testified that after reviewing a Senate subpoena, he located a memorandum to the file he wrote dated September 10, 1980, that described the meeting at the L'Enfant Plaza Hotel and the events leading up to it. Allen Sen. Dep. at 63. At Mr. Allen's suggestion, the September 10, 1980 memo was sent to the FBI for examination. On August 5, 1992, Terry O'Connor, Inspector-in-Charge of the FBI's October Surprise Task Force, notified the Task Force of the test results. The FBI laboratory concluded that although a positive determination could not be made whether the memo was prepared on September 10, 1980, the typewriter impressions, paper watermark and staple holes indicated that the materials used in preparing the memo were commercially available prior to the date of the document. *See* July 31, 1992, FBI Laboratory Report. *See* App. at 659–660.

639. Richard Allen Deposition (Sept. 1, 1992) at 31 (hereinafter "Allen Dep. 1"). Allen testified that he thought the memo had been prepared on September 10, but allowed for the possibility that it could have been prepared shortly thereafter.

640. The Minority notes that Silberman recalled a conversation with Rhett Dawson after Allen found the 1980 memo in 1992, wherein Dawson stated the possibility that this person had come to Tower's attention through a friend of Senator Tower's in Singapore who was connected to British diplomacy or intelligence. Silberman admitted, however, that this was purely speculation on Dawson's part. Silberman Deposition at 17.

641. Allen Sen. Dep. at Exhibit 5 (emphasis added).

642. McFarlane Dep. at 34; Silberman Senate Dep. at 31.

643. McFarlane Dep. at 34; Silberman Senate Dep. at 36.

644. McFarlane Dep. at 34.

645. Silberman Sen. Dep. at 37–39.

646. Silberman Sen. Dep. at 41. Silberman stated that he had "no idea what [Allen] was talking about" but added "I'm sure Dick would have wanted to know if there was an imminent hostage release, quite legitimately. "

647. Richard Allen Deposition (Dec. 18, 1992) at 66, 67 (hereinafter "Allen Dec. 18 Dep.").

648. *Id.* at 52 and 53.

649. Interview of Mike Butler (Jul. 7, 1992).

650. *Id.*

651. *Id.*

652. *Id.*

653. Harold Saunders testified that he talked to Allen often in the September-October 1980 time frame. Saunders Dep. at 16–20.

654. Silberman Sen. Dep. at 44.

655. Allen stated in his deposition that there is a "constant flow [of] . . . erroneous information, ideas, schemes and theories in a campaign . . ." Allen Dep. 1 at 36.

656. Allen Dep. 1 at 38.

657. J. Nesmith, S. Shepard, *Reagan Advisor Meese, Iranian Linked in '80 Report*, Atlanta Journal-Constitution, June 20, 1992, at A1.

658. Senate Foreign Relations Committee Interview of Robert McQueen, April 10, 1992 (hereinafter "McQueen Sen. Int.").

659. *Id.*

660. *Id.* McQueen retained notes that he made during the investigation, which he utilized to pinpoint the date of the alleged invitation. The notes, however, do not reflect that the invitation was made.

661. *Id.*

662. *Id.*

663. *Id.*

664. Senate Foreign Relations Committee Interview of James Dorcey, April 9, 1992.

665. *Id.*

666. Informal Interviews of Honorable Robert Tignor, AUSA Charles Harkins and AUSA Richard Chapman.

667. *See* App. at 662.

668. Homa Hashemi Deposition (Aug. 13, 1992) at 112–115.

669. Meese Deposition at 52.

670. Senate Foreign Relations Committee Interviews of Gus Elia, Ivy Johnson, Merja Soudegar, Narinder Sawhney, Parvin Safavi, Reaza Hashemi, Jamshid Hashemi.

671. G. Sick, *October Surprise* at 188.

672. Sick Dec. 21 Dep. at 67–68. *See* G. Sick, *October Surprise* at 265 n.20.

673. G. Sick, *October Surprise* at 188. According to the allegations, Richard Allen was the person who delivered the warning to the Iranians on behalf of the Republicans. *Id.*

674. *Id.* at 188. *See* Section V, *supra*, for a more detailed discussion of the banking channel.

675. Gary Sick writes that in January 1990, "[a] senior U.S. Customs agent who worked closely with Cyrus Hashemi in the mid-1980s has . stated that it was his understanding that there were contacts between the Republicans and the Iranians during this period and that a very tough message was delivered to end the hostages crisis before the inauguration or face severe consequences." G. Sick, *October Surprise* at 189 & 265 n.22. The Task Force interviewed U.S. Customs Agent Joseph King, who worked closely with Cyrus Hashemi in connection with Hashemi's cooperation with U.S. Customs in 1986. King confirmed that he spoke with Sick in early 1990 regarding Cyrus Hashemi. Telephone Interview with Joseph King, (Dec. 31, 1992). At no time, however, did King tell Sick that he had knowledge of any contacts during the transition period between representatives of the Reagan transition team and representatives of the Iranian government because, he testified, he had no such knowledge. *Id.* At most, King may have conceded to Sick that such contacts were theoretically possible. *Id.* King noted, however, that he did not know whether the reference to "[a] senior U.S. Customs agent" in Sick's book referred to him. He explained that at least twenty people in the U.S. Customs Service could fit that description. *Id.*

The Task Force has obtained credible testimonial evidence that the Reagan transition team sought to instill in the Iranian government the belief that the incoming Administration would take stern action against Iran if the hostages were not released before Preident Carter left office. Alexander Haig Deposition (Dec. 4, 1992) at 5–7. The Task Force has seen no credible evidence, however, that this approach by the Reagan transition team had anything to do with pre-election contacts between the Reagan campaign and Iranians.

676. Khan Dep. at 127–28. The Task Force does not question whether Jamshid told Ms. Sonenshine about the alleged meeting at the Sherry Netherland. Rather, it regards Jamshid's contradictory statements as one more example of his lack of credibility.

677. G. Sick, *October Surprise* at 147.

678. *Id.* at 152.

679. *Id.* at 147 & 261 n.20 (citing Nov. 1990 interview with Lavi by Robert Parry & Robert Ross).

680. Martin Kilian Interview, July 24, 1992.

681. Bradford Shaheen, John Shaheen's son, told the Task Force that his father's primary business was oil refining, but that he was also involved in miscellaneous business areas such as cable television. Shaheen Dep. at 4. Shaheen's principal businesses were Shaheen Natural Resources, MacMillan Ring-Free Oil Company, and Newfoundland Refining Company. Furmark Dep. at 3–4, 9.

682. FBI Interview with John Shaheen (Feb. 27, 1984). (The FBI interviewed Shaheen in connection with its investigation of Cyrus Hashemi for illegal arms exports to Iran).

683. Maureen McPartland Brokaw, who worked for Shaheen from 1970 until his death in 1985, called Shaheen a "real flagwaver " Interview with Maureen McPartland Brokaw (Nov. 6, 1992). O. Jackson Cook, an Atlanta attorney who worked with Shaheen, told the Task Force that Shaheen "was very patriotic. He was still very much in love with the country and a lot of his talk, conversations, had to do with [patriotism]." O. Jackson Cook Deposition (Sept. 18, 1992) at 20 (hereinafter "Cook Dep.").

684. Cole, *Refinery Lures Two Shaheens*, New York Times, Jan. 7, 1983. The refinery, which was built in 1973 at a cost of $300 million, had been beset by construction delays and equipment failures before it even opened. When the refinery finally began operation in 1973, the Arab oil embargo was instituted, creating major supply problems. As a result of these problems, the refinery never exceeded sixty percent of its capacity. *Id.*; U.P.I., July 8, 1981; Roy M. Furmark Deposition (Nov. 10, 1992) at 5–7 (hereinafter "Furmark Dep."); Malcolm, *Shaheen Bid Barred for Canada Refinery*, New York Times, Oct. 25, 1980. At the time, the refinery's demise was the largest bankruptcy in Canadian history. *Petro-Canada Set to Buy Refinery*, New York Times, Nov. 26, 1980; *Oil & Gas Journal*, Oct. 16, 1978 at 3.

685. *See* Cole, *Refinery Lures Two Shaheens*, New York Times, Jan. 7, 1983 (Bradford Shaheen trying to purchase mothballed refinery); *Long Gamble at Come-by-Chance*, Time Magazine, Dec. 1, 1980 (subsidiary of Shaheen Natural Resources tries to buy refinery from Peat Marwick, the bankruptcy receiver); Malcolm, *Shaheen Bid Barred for Canada Refinery*, New York Times, Oct. 25, 1980. Roy Furmark testified that "John's life-long dream was to get [the refinery] back . . He worked his whole life for this refinery It was the crowning achievement, one of the greatest achievements of his life " Furmark Dep. at 59–60.

686. Serafini, *Judge Orders $4 Million Stock Turnover*, Associated Press, Feb. 8, 1982. Clarkson had sued Shaheen in 1977 for $75 million following the refinery's bankruptcy. Cole, *Refinery Lures Two Shaheens*, New York Times, Jan. 7, 1983.

687. *Id.*; *see* Furmark Dep. at 7 (citing 1980 lawsuit against Shaheen and Furmark resulting from refinery's bankruptcy).

688. *See Petro-Canada Set to Buy Refinery,* New York Times, Nov. 26, 1980; *Oil & Gas Journal,* Oct. 27, 1980, at 5. John Shaheen had made a separate purchase offer earlier in 1980 which was also rejected. *See Oil & Gas Journal,* Oct. 27, 1980, at 5.

689. Shaheen Dep. at 123.

690. *Id.* at 126.

691. FBI Interview with John Shaheen, February 27, 1984.

692. Shaheen told the FBI in 1984 that he regarded Casey as a close personal friend. FBI Interview with John Shaheen, Feb. 27, 1984. Maureen McPartland Brokaw told the Task Force that Shaheen and Casey were "great buddies," that they spoke to each by telephone several times a week, and that the Casey and Shaheen families socialized with one another. Maureen McPartland Brokaw Interview (Nov. 6, 1992). Sophia Casey, William Casey's widow, has stated that "John [Shaheen] and Bill Casey were very good friends." *Frontline: Investigating the October Surprise,* (Apr. 7, 1992) at 5. Roy Furmark testified that he saw Casey at several social functions that Shaheen hosted, including Shaheen's annual Christmas parties. Furmark Dep. at 11, 16, 78.

693. Shaheen Dep. at 14; *see* Furmark Dep. at 16-17. Shaheen was instrumental in organizing the VOSS, and he maintained frequent contact with its members, including Casey. Shaheen Dep. at 119. Roy Furmark, who worked for Shaheen from 1966-1976, testified that Shaheen was active in the VOSS and regularly attended VOSS functions. Furmark Dep. at 17-18.

694. Furmark Dep. at 64. Maureen McPartland Brokaw, who worked closely with Shaheen from late 1970 until his death in 1985, told Senate investigators that Shaheen and Casey were not involved in any business matters together. Interview of Maureen McPartland Brokaw and Barry Brokaw by Senate investigators, May 11, 1992.

695. Furmark Dep. at 12-13. At the time of this trip, Shaheen already was on the verge of losing the refinery. *Id.* at 14.

696. *Id.* at 15.

697. FBI Interview with John Shaheen, Feb. 27, 1984.

698. *Id.* Shaheen was introduced to Hashemi by a former Iranian Ambassador to the United States. It was this ambassador who had told Shaheen about Hashemi's foreign oil contacts. *Id.*

699. *Id.* Toward that end, Shaheen had several lunch, dinner, and office appointments with Hashemi. *Id.*

700. Cook Dep. at 9, 12; see Alanna Torres Deposition, (July 30, 1992) at 32-33 (hereinafter "Torres Dep."); Senate Interview with Maureen McPartland Brokaw and Barry Brokaw, May 11, 1992 (Shaheen and Cyrus involved in securing financing to buy back refinery). It is uncertain whether Cyrus Hashemi himself was a potential investor in Shaheen's bid to regain the refinery. Roy Furmark, who put together the original financing for the refinery, informed the Task Force that he has no knowledge that Cyrus lent money to Shaheen in connection with the refinery. Furmark dep. at 58. Furmark also testified that Shaheen never told him that he was interested in seeking financing from Cyrus Hashemi to purchase the refinery. *Id.* at 59.

701. Alanna Torres, who worked for Cyrus Hashemi as a secretary from Jan. 1979 to May 1982, testified that Shaheen was often in Hashemi's office, and that the two men had contact regarding the Newfoundland refinery. Torres Dep. at 34-35. Stanley Pottinger also testified that Hashemi and Shaheen had contact in 1980 regarding the refinery. Stanley Pottinger Deposition (Dec. 22, 1992) at 16. Telephone records from Cyrus Hashemi's home in Wilton, Connecticut indicate that Hashemi and Shaheen were in contact at least as early as late July 1980. The FBI's electronic surveillance of Cyrus Hashemi detected twenty-nine conversations between Shaheen and Cyrus Hashemi between September 1980 and February 1981. Letter from Terry T. O'Connor, Inspector in Charge, Federal Bureau of Investigation, to E. Lawrence Barcella, Jr., Dec. 30, 1992. *See App.* at 6-9.

702. William Sherman Interview (Nov. 16, 1992) at 2.

703. James Khan Dep. at 8-10.

704. Maureen McPartland Brokaw Interview (Nov. 6, 1992).

705. *Id.*

706. Cook Dep. at 13.

707. Interview of William Sherman (Nov. 16, 1992) at 2.

708. Memorandum for the Record by DCI Stansfield Turner, Dec. 28, 1979 (regarding conversation with Charles Kirbo, an advisor to President Carter). Shaheen's proposal came to the attention of the White House through Leonard Wrench, a mutual friend of Shaheen and Charles Kirbo, a senior advisor to President Carter. Kirbo, in turn, mentioned Shaheen's proposal to Carter, who asked Kirbo to raise the matter with Turner. *Id.* Shaheen also gained access to the Carter White House through his relationship with former Attorney General Griffin Bell, who reportedly expressed support for Shaheen's proposal. Memorandum for the Record by Norbert Garrett, Chief, Iran Branch, Near East/South Asia Division, Directorate of Operations (Jan. 22, 1980) (regarding meeting with Shaheen).

709. *Id.* Memorandum for the File by Norbert Garrett, Chief, Iran Branh, Near East/South Asia Division, Directorate of Operations (Jan. 5, 1980) (regarding telephone contacts with Shaheen). Shaheen had become aware of Oveissi through a former Iranian diplomat who had sought political refuge in Canada, where Shaheen had extensive business operations. This diplomat was in contact with Oveissi through Reza Gholsorkhi, a top aide to Princess Ashraf, the Shah's sister. Gholsorkhi and Princess Ashraf were residing in New York at the time. Memorandum for the Record from DCI Stansfield Turner, Dec. 28, 1979.

710. Charles Kirbo raised Shaheen's proposal directly with CIA Director Stansfield Turner at a meeting with Turner on Dec. 28, 1979. Memorandum for the Record by Stansfield Turner, Dec. 28, 1979.

711. Memorandum for the File by Norbert Garrett (Jan. 5, 1980).

712. Memorandum for the File by Norbert Garrett, Jan. 5, 1980. During a subsequent meeting between Shaheen and his CIA liaison, Shaheen went so far as to suggest that he could arrange for a charter aircraft to exfiltrate the hostages and their rescuers from Iran after the mission was completed. Memorandum for the Record by Norbert Garrett, Jan. 22, 1980.

713. *Id.*

714. *Id.*

715. "Routing and Record" slip containing typed comments from Norbert Garrett (Apr. 29, 1980) (apparently directed to DCI Stansfield Turner, whose initials are evident on the slip).

716. *Id.*

717. The Task Force also found evidence that Shaheen was aware of Cyrus Hashemi's efforts to assist the Carter Administration in resolving the hostage crisis. The FBI's electronic surveillance of Hashemi revealed that on October 23, 1980, Shaheen telephoned a business associate by the name of Dick Gaedecke in Switzerland from Hashemi's office telephone. During this conversation, Shaheen informed Gaedecke that he was with "Dr. Hashemi's people" and that the hostages in Iran would be released at "any hour." Shaheen also told Gaedecke that Hashemi had been working since 5:00 a.m. on the hostage matter. FBI Electronic Surveillance of Cyrus Hashemi. There are no references in this conversation, however, to William Casey or the Reagan campaign. Nor has the Task Force found any evidence that Shaheen told Casey about Cyrus Hashemi's hostage-related activities on behalf of the Carter Administration.

718. FBI Interview with John Shaheen (Feb. 27, 1984) (emphasis added).

719. The facts regarding the seizure of Early American hostages in Lebanon do not resolve this ambiguity. Frank Regier, the head of the Electrical Engineering Department at AUB, was seized on Feb. 10, 1984, and subsequently freed on Apr. 15, 1984. Mark, *Lebanon: U.S. Hostages, an Overview and Chronology,* at 2

(Congressional Research Service, Apr. 7, 1992). Thus, it is possible that Regier was being held captive at the time Shaheen was interviewed by the FBI.

720. FBI Interview with John Shaheen (Feb. 27, 1984) (emphasis added).

721. *See* Section XI, *infra.*

722. Louis F. Stephens Deposition (Dec. 14, 1992) at 6–7. Stephens was also the Special Agent who supervised the FBI's surveillance of Cyrus Hashemi in 1979–81 and the subsequent investigation of Hashemi regarding violations of U.S. export laws. *Id.* at 4–5.

723. *Id.* at 26. Stephens could not recall whether Shaheen was more specific about the dates on which he mentioned Hashemi to Casey, or about where these conversations took place. *Id.*

724. *Id.* at 16–17.

725. *Id.* at 23–24. Stephens testified that he asked Shaheen "specifically, did you call or make an appointment to go see [Casey], talk to him about the Hashemi matter. He said, oh, no, it was a social thing. I got him aside and we talked about it." Id. at 24. Shaheen also indicated that, between his first initial pre-inauguration mention of Hashemi to Casey and Oct. 1983, he had a total of three or four conversations with Casey in which Hashemi's name arose, all of which took place in a social context. *Id.* at 32.

726. *Id.* at 15. Similarly, Shaheen also told Stephens that he contacted CIA officials regarding Cyrus Hashemi during the period of the Iran hostage crisis. Id. at 13. These contacts, too, were at Shaheen's initiative and were not prompted in any manner by Hashemi. *Id.* at 13–14, 16.

727. *Id.* at 27, 34. Stephens explained that he did not ask Shaheen this question because it was not related to the subject of the criminal investigation of Hashemi. *Id.*

728. *Id.* at 33-34.

729. *Id.* at 37.

730. *Id.* at 38.

731. Shaheen also told Hashemi that Casey had "been my lawyer for two year," and that Casey is familiar with Shaheen's legal problems. *Id.*

732. FBI Electronic Surveillance of Cyrus Hashemi.

733. This would be consistent with the testimony of former FBI agent Louis Stephens, who told the Task Force that Shaheen recalled mentioning Hashemi to Casey approximately twice prior to the inauguration. *See* discussion above.

734. Stanley Pottinger, for his part, testified that he did not recall the conversation between him and Shaheen to which Shaheen referred in his November 8, 1980, telephone conversation with Hashemi. Pottinger Dep. at 21–23. He also testified that he had no recollection of discussing the Reagan transition team with Cyrus Hashemi. *Id.* at 26–27. Pottinger further testified that he had no knowledge that Shaheen ever served as an intermediary for communications between Casey and Hashemi. *Id.* at 17–18.

735. As stated above, however, the Task Force acknowledges that the conversation is subject to varying interpretation, and that no assessment of the conversation's meaning can be conclusive.

736. Letter from Terry T. O'Connor, Inspector in Charge, Federal Bureau of Investigation to E. Lawrence Barcella, Jr., Dec. 30, 1992. *See* App. at 6–9. Louis Stephens testified that if he had become aware, as the supervisor of the criminal investigation of Hashemi, of any taped conversations suggesting that Cyrus Hashemi was in contact with the manager of Ronald Reagan's presidential campaign, he would have sent a teletype to FBI headquarters reporting this information. Deposition of Louis Stephens (Dec. 14, 1992) at 41.

737. In fact, the FBI's electronic surveillance of Cyrus Hashemi did not detect a single conversation in which the names Mehdi Karrubi or Hassan Karrubi were mentioned. Letter from Terry T. O'Connor to E. Lawrence Barcella, Jr., Dec. 30, 1992. *See* App. at 6–9.

738. *Id.*

739. FBI Electronic Surveillance of Cyrus Hashemi, Nov. 14, 1980.

740. *Id.* (emphasis added).

741. Cyrus Hashemi may have been posturing with Aryanpour in reaction to recent news articles that Casey was under consideration for a major position in the incoming Reagan Administration, including Secretary of State. *See* Smith, *Reagan Seeks to Emphasize Role of Cabinet Members As Advisers,* New York Times, Nov. 8, 1980, at 1 (mentioning Casey as a candidate for Secretary of State).

742. Aryanpour Dep. (Sept. 1, 1992) at 130–32.

743. *Id.* at 139–40.

744. *Id.* at 138.

745. *Id.* at 141.

746. *Id.* at 134.

747. *Id.* at 138.

748. According to the FBI, Ali Agah was Iran's representative to the International Monetary Fund while the Shah was in power. He later allied himself with the clerical faction supporting Ayatollah Khomeini.

749. FBI Electronic Surveillance of Cyrus Hashemi, Nov. 20, 1980 (emphasis added). The remainder of the conversation is not pertinent and has been omitted.

750. *Id.* at 32–33. *See Id.* at 89.

751. *Id.* at 89. In contrast, Cyrus did tell Moini-Eraghi that he had good contacts in the Carter Administration. *Id.*

752. FBI Electronic Surveillance of Cyrus Hashemi (Jan. 21, 1981).

753. Electronic Surveillance of Cyrus Hashemi (Jan. 21, 1981).

754. *See* discussion above.

755. Madani Dep. (Aug. 23, 1992) at 98–100, 102. Madani also testified that Jamshid told him that Cyrus and Casey were close friends. *Id.* at 102.

756. *Id.* at 102–103.

757. *Id.* at 98–100.

758. *Id.* at 104. In response to the question of whether Cyrus ever indicated to Madani that he met personally with Casey, Madani stated: "I don't recall that, but I remember that he was telling me that he was so close, so close friends together, and that closeness signifies that they were seeing each other quite often." *Id.*

759. *Id.* at 104.

760. *Id.* at 105.

761. *Id.*

762. *Id.* Madani also testified that he was a guest one night at Cyrus Hashemi's home in London in the fall of 1980 (prior to the U.S. Presidential election) when Cyrus discussed how the Reagan's election and Casey's position in a Reagan Administration would benefit anti-Khomeini opposition movements. Madani Dep. at 106–107, 112. According to Madani, Stanley Pottinger was present at this discussion but did not comment in response to Cyrus's mention of Casey's name. *Id.* at 107, 112. Stanley Pottinger testified that he recalled meeting Madani in London at Cyrus Hashemi's apartment in late 1980. Pottinger Dep. at 28. Pottinger recalled the event differently, testifying that he had been asked to join Cyrus at his apartment for a meeting, and that Madani was leaving the apartment as Pottinger was arriving. According to Pottinger, he and Madani chatted for no more than five minutes and did not discuss anything substantive. *Id.* Pottinger also testified that he was not present during any discussion of the upcoming U.S. Presidential election, Casey, or the consequences of a Reagan victory. *Id.* at 29–30.

763. *Id.* at 105–106. Moreover, as mentioned above, neither Cyrus nor Jamshid Hashemi ever told Madani that meetings took place in Madrid in the summer of 1980 involving Casey, the Hashemi brothers, and the Karrubi brothers. *Id.* at 123.

764. Letter from Terry T. O'Connor to E. Lawrence Barcella, Jr., Dec. 30, 1992. *See* App. at 6–9.

765. *Id.*

766. FBI Electronic Surveillance of Cyrus Hashemi (Jan. 20, 1981).

767. FBI Electronic Surveillance of Cyrus Hashemi (Feb. 9, 1981) (emphasis added). The remainder of the conversation is not pertinent. After additional discussion, it is agreed that Cyrus and Reza will stop by Jamshid's place of business on their way home from work.

768. Memorandum for the Record by Lee S. Strickland, Assistant General Counsel, Central Intelligence Agency (Feb. 7, 1984). *See* App. at 494–497.

769. Richardson Dep. at 10–11.

770. *Id.*

771. *Id.* at 11. According to Lee Strickland, a CIA attorney who attended the meeting, the purpose of Richardson's approach was to persuade the CIA to intervene in the criminal investigation to obtain more favorable treatment for Hashemi. Deposition of Lee S. Strickland (Sept. 28, 1992) at 11.

772. *Id.* at 11.

773. *Id.*

774. Memorandum for the Record by Lee S. Strickland (Feb. 7, 1984). *See* App. at 494–497.

775. *Id.*

776. Richardson Deposition (Dec. 21, 1992) at 6–7, 10–11, 14.

777. William Wachtel Interview (Oct. 22, 1992).

778. Maureen McPartland Brokaw Interview (Oct. 29, 1992).

779. Pottinger Dep. at 15.

780. Deposition of John Rizzo (Dec. 21, 1992).

781. *Id.*

782. Deposition of Charles Cogan (Dec. 21, 1992).

VIII. Alleged Attempts To Delay the Release of the American Hostages

H. Res. 258, Section 1(b): "Any attempt or proposal to attempt, by the 1980 Reagan Presidential Campaign or persons representing or associated with that campaign, to delay the release of the Americans held as hostages in Iran . . ."

A. The Alleged Meetings in Paris

As indicated in Section IV of this report, the most significant of the allegations that the Task Force investigated were those suggesting that representatives of the Reagan campaign and the governments of Israel and Iran met in the fall of 1980 in an effort to delay the release of the hostages being held in Iran. It was at these meetings, alleged to have taken place in Paris in October, 1980, that a deal to delay the release of the hostages is said to have been consummated. The basic facts of the Paris allegations follow:

1. The Allegations

According to the allegations, in the fall of 1980 Israel was pressing the Carter administration for permission to sell arms to moderate factions in Iran as a means of promoting the eventual release of the hostages.[1] Carter remained firm that no arms were to be sold to Iran until after the hostages were released. Israel, convinced that Carter's position was wrong, decided to go along with a plan proposed by Bill Casey in Madrid: upon the release of the hostages to the incoming Republican administration, an arms relationship would be started with Iran. In the interim, Casey would "assist" the Iranians in their efforts to acquire arms from other countries and/or individuals.[2] Israel would be the supplier of choice. The October Paris meeting cemented this decision.

The Paris meetings are alleged to have occurred between October 15 and October 20, 1980. Representatives from Iran, Israel, and the United States attended. The parties met on several occassions during this period. It has been alleged that meetings were held in several hotels, including the Hilton, the Ritz, the Waldorf-Florida, the Rapahel, and the Crillon. As discussed below, the meeting alleged to have been attended by William Casey occurred at one of two locations: the Ritz or the Raphael. Those claiming knowledge of this meeting tell a varied story with some consistencies. They allege that the Paris meetings were set up to iron out the details of a broad agreement reached in Madrid, under which the hostages would be released after the Republicans took office in exchange for an improvement in relations between the United States and Iran, the release of Iranian assets, and a more lenient policy on the sale of military equipment to Iran. In face-to-face meetings, representatives of the Republican party and the governments of Iran and Israel agreed on a limited proposal to delay the release of the hostages in exchange for Israeli weapons shipments and the unfreezing of Iranian assets by the United States. Finally, it has been repeatedly alleged by different sources that French intelligence officers monitored the arrival and departure of participants in these meetings and the substance of the discussions.[3]

62-366 - 93 - 6

2. Persons Claiming Personal Knowledge of the Paris Meetings

In this section of the report, we review the testimony and other evidence provided by persons claiming first-hand knowledge of the alleged Paris meetings.

a. Ari Ben-Menashe

Ari Ben-Menashe described the Paris meetings to the Task Force in both a deposition and an interview.[4]

Ben-Menashe claims to have been included in the six-member Israeli delegation chosen to make the trip to Paris.[5] According to Ben-Menashe the delegation also included David Kimche, Shmuel Moriah, Uri Simchoni, Rafi Eitan,[6] and a woman from Israeli intelligence. The delegation arrived in Paris on October 14, 1980. They stayed at several hotels. Messrs. Morieh and Kimche stayed at the Ritz,[7] while the other four members stayed at the Hilton.[8]

The Iranians arrived October 15, 1980 and stayed at the Hotel Montaigne. There were a dozen members in the Iranian delegation, including, among others, Mehdi Karrubi, Mehdi Kashani, Dr. Omshai, and Mr. Fakrieh.[9] During the meetings on October 17, 1980, Ben-Menashe claimed that Americans Robert Gates, George Cave, and Robert McFarlane joined the Israelis and Iranians at the Hilton Hotel.[10] Ben-Menashe claimed that these meetings were "just to discuss details about arms." [11]

Ben-Menashe stated that on the fourth day, October 18, 1980, Bill Casey attended and met directly with Mehdi Karrubi at the Hotel Montaigne.[12] Casey and Karrubi reviewed the substance of the Amsterdam meeting.[13] According to Ben-Menashe, on the fifth day, October 19, 1980, a closed-door meeting of senior officials—the "big meeting"—was held in a large conference room at the Ritz Hotel.[14] Ben-Menashe stated that, as a "junior" member of the delegation, he did not attend the "big meeting" but remained in the foyer. Robert Gates, Earl Brian,[15] Donald Gregg, Robert McFarlane, and "some secret service types" attended this session. Just prior to the meeting Mehdi Karrubi arrived, followed shortly by George Bush and William Casey by way of an elevator reserved for this purpose.[16] Karrubi, his aide, Bush, and Casey were the senior officials who entered the conference room, and held a short meeting, and left.

Ben-Menashe's testimony is impeached by documents and is riddled with inconsistencies and factual mistatements which undermine his credibility. Based on the documentary evidence available, the Task Force has determined that Ben-Menashe's account of the October meetings, like his other October Surprise allegations, is a total fabrication.

According to his military records, Ben-Menashe never left Israel during October, 1980. The Task Force received from the government of Israel personnel records with Ben-Menashe's contemporaneous handwritten answers to questions to which he was required to respond for the External Relations Department when traveling abroad. The documents show that he did not travel outside of Israel in October 1980. The Task Force also found that, contrary to Ben-Menashe's claims, he never possessed a diplomatic passport. Exit stamps on his civilian passport also indicate that he never left Israel in the month of October, 1980. Ben-Menashe's records show that he took personal leave without pay between April 15 and May 7, 1980, and again between December 16, 1980 and January 3, 1981.

Furthermore, and perhaps most compelling, Ben-Menashe never mentioned any knowledge of the October Surprise allegations at the time of his arrest [17] or during any of the numerous hours of interviews conducted by federal prosecutors assigned to his case.[18] This is noteworthy because possession of such "damaging" information would certainly have helped his cause. The Task Force can find no credible explanation for Ben-Menashe's failure to mention these allegations other than the fact that he had not yet created his involvement in the October Surprise scenario.

In addition to being contradicted by his own personal records, Ben-Menashe's attempt to fix a date for the meetings resulted in a major factual mistake. He had told reporters for Newsweek magazine that he was positive he had seen George Bush at the Paris meetings on both October 19 and October 20, 1980, because October 20 was the day before the Jewish holiday, "Sukkot." [19] In fact, the Jewish calendar for 1980 shows that Sukkot fell on September 25. In addition, Secret Service records

show that George Bush was in Washington, D.C. on October 19 and campaigning on October 20, 1980.[20]

According to Ben-Menashe, neither Cyrus nor Jamshid Hashemi were present at or participated in the Paris meetings. Ben-Menashe stated, however, that Cyrus Hashemi was in Paris during this period and tried unsuccessfully to involve himself in the meetings.[21] In fact, *infra* the Task Force has developed conclusive evidence from the FISA surveillance that Cyrus Hashemi was not in Paris during the period of the alleged Paris meetings. David Kimche, Shmuel Moriah, and Rafi Eitan were interviewed by the Israeli government at the request of the Task Force. All denied having traveled to Paris in October, 1980 or having any relationship with Ben-Menashe. Eitan, Moriah, and Kimche said they had never met or heard of Ben-Menashe, and had heard of him only after he started making his allegations in 1991. Simchoni denied Ben-Menashe's allegations in a sworn interview with the Task Force on November 17, 1992. Simchoni said he did not know Ben-Menashe and was not in Paris in October 1980. According to contemporaneous guest records examined by the Task Force, there is no record that any of the individuals mentioned by Ben-Menashe stayed at the Ritz Hotel in October, 1980, as Ben-Menashe alleged.[22]

None of the other persons claiming first-hand knowledge of the October, 1980 meetings ever indicated that Ben-Menashe was present at any time. According to records made available to the Task Force by several journalists, Ben-Menashe began making October Surprise allegations following his contact with several journalists and arms dealers who, as a result of their contact with Richard Brenneke, had themselves begun to claim an indirect role in the October Surprise conspiracy.

b. Richard J. Brenneke

The Task Force has determined that Richard Brenneke served as the key source for several other sources on the October Surprise conspiracy. These sources received their information directly from Brenneke or from journalists who reported these allegations.

Richard Brenneke claims to have attended the meetings in Paris in October 1980. He first made these allegations formally in 1988, when he testified under oath as a character witness at the sentencing hearing of Heinrich Rupp, who had been convicted of bank fraud in a federal court in Colorado.[23] Brenneke testified that Rupp, a pilot, flew George Bush, William Casey, and several others to Paris for a meeting with Iranian representatives.[24] According to Brenneke's testimony, Donald Gregg and Richard Allen also attended these meetings.[25]

Following a brief investigation, the U.S. Attorney's Office in Denver charged Brenneke with making false declarations during the Rupp sentencing.[26] In May 1990, Brenneke was tried and acquitted on these charges.[27] During his trial Brenneke testified that, in addition to Casey and Gregg, Cyrus Hashemi, Bernard Veillot, Robert Benes,[28] Madame Robert, and various Iranian represenatives attended the Paris meetings.[29] Brenneke retracted his earlier testimony that he had seen Bush and Allen at the meeting.[30] Brenneke also testified that he was present at the Paris meetings to handle the financial transactions involved.[31]

Brenneke repeated these allegations when interviewed by GAO investigators conducting a preliminary investigation of his claims. He said that he arranged and participated in a meeting in Paris in October 1980 attended by, among others, William Casey, Donald Gregg, George Cave, Manuchar Ghorbanifar, Cyrus Hashemi, and a representative of Adnon Khashoggi.[32] In contrast to his testimony at his trial that he was present to conduct the financial transactions, Brenneke told GAO that he made arrangements for refreshments and chairs for the meeting which was attended by about twenty (20) persons who came and went during the course of the meeting which lasted about four (4) or five (5) hours.[33] Brenneke again denied his earlier testimony that he had any direct knowledge of George Bush's presence in Paris.[34]

The GAO reviewed documentary evidence which Brenneke claimed would support his allegations.[35] The GAO also interviewed numerous witnesses, including some Brenneke claimed would support his allegations.[36] In November 1991, GAO reported that it was unable to find any evidence that corroborated Brenneke's allegations.[37, 38]

The Task Force subpoenaed Brenneke for his testimony. Following lengthy efforts to

evade Task Force efforts to depose him, Brenneke, through counsel, informed the Task Force that he would invoke the Fifth Amendment and refuse to testify. Because there is overwhelming evidence that the Paris meetings did not occur and that Brenneke fabricated his involvement in those meetings, and because Brenneke was already on record with his story on a number of occasions, the Task Force did not consider it appropriate to grant him immunity and did not further pursue his testimony.

Brenneke's testimony that he was in Paris is false. Based primarily on a review of Brenneke's own personal documents, the Task Force has concluded that he was not in Paris during mid-October 1980, as he told federal investigators and testified under oath in two federal courts. The Task Force obtained Brenneke's documents from Peggy Robohm, an independent researcher and former associate of Brenneke. Robohm met Brenneke in early 1991 and agreed to collaborate with him to write a book about the alleged October Surprise. Brenneke moved approximately 70 boxes of files and other assorted belongings from his home in Portland, Oregon to Robohm's home in Madison, Connecticut.

Peggy Robohm told the Task Force that, in the course of reviewing Brenneke's files, she discovered various records indicating that some of his allegations were false. When she confronted him about the discrepancies, Brenneke responded by saying, "I don't give a damn." Their relationship ended at that point and Brenneke never sought to recover his files.[39] The Task Force obtained the materials from Robohm by subpoena in order to conduct its investigation.

A review of these documents revealed that Brenneke's signed credit card receipts and a hotel bill clearly show that he was in the Pacific Northwest for the entire month of October. These records further reflect that on October 19 and 20, the dates on which he claims to have attended meetings in Paris, Brenneke was in Seattle, Tumwater, and Portland.[40] Additionally, the credit card receipts show that Brenneke checked into the Century House Motor Hotel on October 16 or 17 and checked out on October 19. On October 19 he washed his car at a Chevron station in Seattle, ate a meal at Mazzi's restaurant in Portland, and made a $13.00 purchase at the Vance Tyee Motor Inn in Tumwater. On October 21, he made a purchase at the Wash and Wax in Portland.[41]

The Task Force determined that the receipts and Brenneke signatures are genuine. The receipts were found in Brenneke's belongings. There was no indication that he had protested the bills, and credit card records reflect that all charges were paid for by Brenneke. The Task Force submitted five credit card receipts for October 19 and 20 to the FBI Questioned Documents Section for analysis. The receipts were compared to twenty samples of Brenneke's signatures found on hundreds of personal checks written over a fifteen-year period and an FBI criminal arrest booking card signed by Brenneke in 1989. Although Brenneke signed his name on these documents two different ways ("Richard J. Brenneke" and "R. J. Brenneke,"), FBI handwriting analysts determined that Brenneke's signature on one of the receipts for October 19, was genuine, that there was a strong likelihood that the other credit card receipts also were signed by him, and that it was unlikely the receipts were signed by another person.[42]

Brenneke's 1980 daily calendar also indicates that he was in the Pacific Northwest when he claimed to have been in Paris. The diary contains entries suggesting that Brenneke attended a karate tournament in Seattle at that time.[43] Brenneke's calendar indicates that he did not leave the Pacific Northwest for all of 1980.[44] The Task Force, based on this evidence, concludes that Brenneke was not in Paris as he alleged.

It also appears that Brenneke solicited corroboration for his story from other individuals. Brenneke's belongings include a cassette tape recording of telephone calls marked "10/88". In one of the taped calls, Brenneke spoke to Robert Benes, whom Brenneke had alleged also attended the Paris meetings. In the call, Brenneke told Benes that Heinrich Rupp was in jail in the U.S. because the judge did not believe that Rupp had transported Casey and Bush to Paris for meetings. Brenneke then told Benes that he was trying to help Rupp, and he asked Benes if he knew anything about any meetings in Paris. Benes replied on the tape that he had no information, but would ask some questions.[45] Benes never indicated in the course of the conversation that he had been present at any such meetings.

On October 9, 1988 a *Washington Post* article quoted Benes as saying that the allegation that he had witnessed a meeting between George Bush and Iranians was "completely false and a joke" and that he was bedridden following heart surgery during October 1980.[46] In a taped conversation on October 13, Brenneke told Benes that he knows journalists will pay Benes for his story that he met with Bush and Casey in Paris during 1980. Brenneke told Benes he knows nothing about the meetings or why journalists think Benes has knowledge of them when, it was Brenneke who testified at Rupp's sentencing that he and Benes were present. Brenneke told Benes he would send him newspaper information regarding the allegations and said, "[Y]ou can tell me if this correct. I don't know if it is correct or not . . . People say that you were a friend of Mr. Casey, you know about these things . . . that is why they talk with you because of, also, Mr. Casey and maybe Mr. Bush and so forth, maybe you talked with them—maybe not. Do you understand?" [47] Based on its review of these conversations, the Task Force believes that Brenneke was aware that Benes was never present at any Paris meeting and was attempting to induce Benes to lie with promises of financial gain.

The Task Force also believes that Brenneke played a central role in falsely propagating the October Surprise allegations for financial and personal reasons.[48] Brenneke applied for employment with the CIA in the 1960's and was never hired.[49] Since that time, he has attempted to involve himself in intelligence-like activities and has repeatedly proclaimed himself to be a CIA operative.[50] For example, Brenneke founded a small charter airline company which he named, Air America, the same name as a former CIA proprietary airline.[51] His erratic employment history includes real estate sales and management and an unsuccessful overseas loan business, but no work for the CIA.[52]

Beginning in 1983, Brenneke attempted to enter into the arms business by associating himself with individuals attempting to sell a Soviet tank recovered by the Iranians to the U.S. government.[53] At one point during that time period when Brenneke was returning to the United States from abroad, Customs officials at the airport confiscated documents in his possession which appeared to be evidence of illegal arms sales to Iran.[54] Rather than become the subject of a Customs investigation based on that evidence, Brenneke offered to assist them by providing information.[55] In that time period, Brenneke falsely portrayed himself as a central player in dealings between the United States and Iran.[56] Beginning in 1986, Brenneke proclaimed to the media to have knowledge of an illegal arms deal with Iran related to "Iran-Contra" and found the media to be receptive to his tales.[57]

In 1988, Brenneke parlayed his role as a media conduit of allegedly secret information into a job with the International Center for Development Policy (ICDP) a private research center in Washington, D.C. Brenneke was hired to investigate and disclose George Bush's role in "drug trafficking and illegal arms shipments in support of the contras." [58] By the end of July, ICDP had told Brenneke that he would be fired for his failure to produce the promised information.[59]

Around that time, Brenneke met researcher Barbara Honegger in what she testified to be a chance meeting at the ICDP offices.[60] Honegger recognized Brenneke's name as a person reported to have special knowledge of the Iran-Contra affair.[61] Honegger told Brenneke what she had learned in the course of her own research on the alleged October Surprise deal and asked him if he could verify her information.[62] Brenneke falsely verified some of her information and told her that *he* had been present at a Paris meeting with Iranians.[63] He also told Honegger that Casey had been present on the day before at another meeting with Iranian representatives.[64] Because this was the first time the allegation had been made that Casey participated in the meetings, it was a significant breakthrough for Honegger.[65] The meeting with Brenneke also proved significant to Honegger's efforts because Brenneke appeared to be an actual participant in at least one Paris meeting and had confirmed that they had occurred.[66, 67]

Thus, faced with being discharged from IDCP, Brenneke for the first time indicated he had knowledge of an October Surprise deal, despite the fact that he had sought employment and media attention on the basis of his alleged access to classified information and had previously offered allegedly sensitive information to several government agencies.[68] Furthermore,

Brenneke had not come forward with his "information" when Honegger first published an article about her theories in June 1987.[69] Shortly after Honegger reported Brenneke's claims, he attempted to use his new role as an October Surprise source to convince ICDP to continue his employment.[70]

Following his initial discussions with Honegger, Brenneke met with journalist Martin Kilian of the German weekly, *Der Spiegel* and advised Kilian of his involvement in the October Surprise scenario.[71] Shortly thereafter, in September 1988 Kilian interviewed Oswald LeWinter who apparently confirmed to Kilian that Brenneke was present at the alleged Paris meetings.[72] Once Brenneke and LeWinter had established Brenneke as a participant at the Paris meetings, Brenneke's records indicate that he engaged in substantial contacts with an array of other journalists to perpetuate the story. It was through these contacts that Brenneke came to testify at Rupp's sentencing.[73]

In addition to his efforts to solicit fabrications from Benes, Brenneke's telephone records indicate that he had frequent contact with others alleged to have knowledge of these allegations, including William Northrop and Nicolas Ignatiew. In addition, Brenneke has also been associated with Ari Ben-Menashe, and Bernard Veillot.[74] The Task Force believes that Brenneke's fabrications, his efforts to persuade others to make similar fabrications, and the "piggy-back" allegations of others, such as Oswald LeWinter, further perpetuated an otherwise poorly supported story for a number of interested journalists and researchers. Most researchers ultimately came to disbelieve Brenneke. However, the chronology of events suggests that, absent Brenneke's claims that he was a participant in the Paris meetings and had knowledge of William Casey's attendance, those particular allegations might not have become the centerpiece of the October Surprise lore.

Evidence of Brenneke's role in fabricating and perpetuating the October Surprise allegations, in addition to his calendars, credit card receipts, taped telephone conversations and other personal records, coupled with the testimony of others, led the Task Force to the conclude that Brenneke is not truthful and that no additional useful evidence would be obtained by actively pursuing his testimony or granting him immunity. Our decision in this regard was made simple, of course, by virtue of the fact that we had access to previous testimony under oath by Brenneke.[75]

c. Heinrich Rupp

Heinrich Rupp is a Swiss-born pilot who is alleged to have flown William Casey and others to Paris for meetings with Iranian representatives in October 1980. The first public disclosure of Rupp's knowledge of alleged Paris meetings came at a 1988 hearing at which he was sentenced for bank fraud.[76] During the sentencing hearing, Richard Brenneke testified that Rupp flew Casey, George Bush and several others from the United States to Paris for a meeting with Iranian representatives.[71] Rupp himself made his first public statement about these allegations a few days later on a television show in Denver.[78, 79]

The Task Force believes that much of Rupp's story was fabricated by or in connection with Richard Brenneke. Both allege a long-term friendship based on prior work for the CIA.[80] Neither ever worked for the CIA.

Rupp's and Brenneke's version of Rupp's story are both riddled with inconsistencies, such as whether one or two planes made the trip to Paris, and whether George Bush flew to Paris or not.[81] The Task Force focused on those allegations which originate from Rupp, rather than those that Brenneke and others attribute to Rupp. Rupp and his counsel intially refused to allow Rupp to be deposed. The Task Force ultimately deposed Rupp under oath on October 8, 1992.[82]

Rupp testified that he was recruited to work for U.S. intelligence by William Casey in 1957.[83] Rupp however testified that he did not learn English until after he came to the United States in 1960.[84] The Task Force finds this account implausible since at the time Casey allegedly recruited Rupp in 1957, Casey spoke only English, was a partner in a New York law firm, was a member of the Board of Directors of Capital Cities Broadcasting Corporation, and was not serving in the United States intelligence community.[85]

Rupp initially testified that he flew Casey on one flight to Paris during 1980, and that he knew at the time that Casey was the campaign manager for the "new President."[86] Rupp testi-

fied that he did not see the passengers inside the airplane, but saw Casey as he dashed from the plane to a limousine in the rain.[87]

Later in his deposition Rupp was asked if he had any doubt in his mind that the man he saw was William Casey. Rupp stated, "Now I have doubts . . . I don't know what the hell went on." [88] During the deposition, Rupp contradicted his earlier statements to the media, testifying that he did not fly George Bush to Paris, but believed he saw him, or someone who looked like him, coming out of another airplane at the airport in Paris.[89]

Rupp could provide little detailed information concerning the date of the flight. He could recall only that it was cold in Europe, which led him to believe that the flight occurred late in the year.[90] According to Rupp, the flight was non-stop from Washington National to LeBourget airport in Paris.[91]

Rupp no longer possesses his passport for the period including 1980. During his deposition, he was shown a photocopy of a passport in his name, which had been discovered among Richard Brenneke's belongings. Rupp stated that he believed the photocopy to be an accurate copy of his passport.[92] The passport shows no markings indicating an entry into Paris during 1980.[93]

Rupp no longer has his log book or other flight records that might corroborate his allegations.[94] The Task Force obtained a copy of a document of unknown origin which purports to be a recreation of Rupp's "Aircraft Logs from 16 June 1980 through March 1981." [95] The document lists only one flight logged by Rupp, in October 1980 to Burbank, California.[96] A telex dated October 14, 1980 was provided to the Task Force by Rupp's attorney to corroborate Rupp's story of his flight to Paris. It does not. The telex shows only that Rupp was scheduled to pick up a flight plan for a possible flight from the United States to Japan, via Alaska, for O & A International.[97]

According to Barbara Honegger, Rupp's attorney, Michael Scott had claimed at one point that a man named Alto was Rupp's co-pilot on the flight to Paris.[98] Task Force investigators spoke with Joseph Alto, one of the owners of O & A International, a charter airline company which employed Rupp in late 1980 and early 1981.[99] Alto told the Task Force that Rupp and he did make a flight for O & A to Paris from Washington, with a probable stop in Newfoundland. Alto stated however, that the trip was made in January, 1981, not October, 1980.[100] Rupp's flight logs [101] also verify that Rupp flew a plane from Burbank, to Las Vegas, to Washington National, and then to Paris in 1981. Interestingly, this trip was made in the same type of plane in which Rupp testified he flew Casey to Paris, a BAC-111.[102] During his interview, Alto also told Task Force investigators that he and a co-pilot accompanied Rupp on this trip and that there were no passengers. During his deposition, in conflict with the prior statement of his counsel to the Task Force, Rupp denied that Alto was his co-pilot on the trip.[103]

The Task Force sought to verify Rupp's allegations through information from the Federal Aviation Administration and its counterparts abroad, but was unable to do so. In addition to the absence of corroborative evidence, certain aspects of Rupp's background led the Task Force to conclude that he is not a credible witness. For example, in addition to his 1988 conviction for bank fraud, Rupp has been the subject of other government investigations for a range of suspected illegal activities including espionage, illegal export of weapons, the fraudulent sale of gold, and false claims to a governmental agency.[104] Rupp has also proven to be untruthful about other, related matters. For example, he claims long employment by the CIA and has implied that the trip to Paris somehow grew out of that employment. But the CIA denies ever employing Rupp. The Task Force reviewed CIA files and found that his employment claim was not supported either by agency records or witnesses. Rupp has identified Ray S. Cline, a former high-ranking CIA official and current lecturer at Georgetown University, as someone from the CIA who could verify his employment with the CIA.[105] When questioned by the FBI, Cline denied that he had any knowledge of Rupp's alleged activities.[106] The CIA did at one time consider employing Rupp but a limited background check raised concerns and he was not hired.[107]

Other facts demonstrate that Rupp is not a credible witness. Following his sentencing for bank fraud, the court ordered a psychiatric evaluation.[108] In 1991 FBI agents interviewed Rupp as part of an investigation of certain

"false claims" made to United States government agencies and concluded that he was mentally unstable.[109] For all of the above reasons, the Task Force considers Rupp not a credible witness.

d. Gunther Russbacher

One of the most persistent and least credible interlocutors in the October Surprise story is Gunther Karl Russbacher. Russbacher has generated a letter-writing campaign to support his story. Early in the Task Force's investigation, dozens of individuals from around the country called or wrote to warn that Russbacher was at risk of being murdered in his Missouri prison by people seeking to prevent him from telling his story. Russbacher's leading advocate was an unlicensed law school graduate, Paul Wilcher.

Russbacher claimed to piloted a Saudi government BAC-111 jet which flew George Bush, William Casey, Donald Gregg, Robert Gates, Robert McFarlane, Richard Allen, Jennifer Fitzgerald, and secret service agents to Paris on the weekend of October 19, 1980.

According to Russbacher, the gist of the agreement reached in Paris was a promise by the Iranians to hold American hostages captive until after the election in exchange for $40 million in cash and the promise of $5 billion in arms sales through Israel. Russbacher said that he flew George Bush back from Paris to the United States in an SR-71 Blackbird spy plane in one hour and fifteen minutes. Russbacher has made other claims, all based on the above unlikely premise.

Former presidential candidate Ross Perot was among the many people Russbacher sought out with his tale. Perot concluded that the story could be quickly investigated by determining whether Russbacher knew anything about the actual operation of an SR-71 Blackbird. When he told Russbacher that he was dispatching his attorney along with a pilot familiar with the operation of the SR-71, Russbacher suddenly became ill and was unable to meet with Perot's emissaries. Perot's attorney later met with Russbacher alone, asked him the questions the pilot had instructed him to ask, and received answers which indicated that Russbacher knew virtually nothing about the operation of the SR-71. Perot and his staff confirmed this to the Task Force.[110]

The Task Force scheduled an interview with Russbacher during the spring of 1992. On the day before investigators were to travel to Missouri, the Task Force received a letter from Russbacher prepared by Paul Wilcher making numerous demands, including complete immunity for Russbacher and others as well as demands for detailed security arrangements.

The Task Force's found that Russbacher lacked credibility. Through his "counsel," Wilcher, Russbacher at one point promised to deliver to both House and Senate investigators a videotape taken during the alleged flight of the SR-71 from Paris to the United States which showed Russbacher and Bush on board. He demanded immunity in advance, but was told that the videotape would have to be produced before immunity would be considered. Wilcher failed to deliver the videotape, after agreeing to do so at a predetermined time and place.[111]

Russbacher's credibility is also undermined by a thirty-year criminal record which includes convictions for impersonating law enforcement officers, military personnel, and federal officials.[112] There are also a number of psychiatric adjudications in his background. Simply put, Russbacher's story runs the spectrum from fabrication to delusion.

e. Oswald LeWinter

Oswald LeWinter's story is a veritable textbook on how the conspiracy allegations that constitute the October Surprise story were initiated and evolved. LeWinter had at one point alleged that he was instructed by intelligence authorities to go to Paris on the weekend of October 18-19, 1980, to assist with security for meetings that were to take place at the Hotel Raphael and Hotel Waldorf Florida, and to act as part of the "cleanup team" [113] He stated that William Casey was a participant in meetings with Israelies and Iranians, in which arms transfers related to the American hostages were discussed. LeWinter said he could not be certain that the purpose of the meetings was to delay the release of the hostages. LeWinter also claimed that he had significant experience with U.S. and Israeli intelligence agencies and was attached to a U.S. military intelligence unit in West Germany at the time he went to Paris in October, 1980.

LeWinter, who at the time identified himself as "Mr. Racine", was interviewed by a number of journalists who later published his story [114]. LeWinter also plays a key role in Barbara Honegger's book, *October Surprise*, where he is referred to as "Mr. Y".[115]

LeWinter was interviewed by Task Force staff on August 25, 1992 in a town on the Dutch/German border. LeWinter was extremely reluctant to be interviewed on tape and under oath. He was at first only willing to reconfirm the story he had previously told journalists. At one point during the discussion, prior to the recorded interview, however, LeWinter indicated that the Task Force would get a much different story under oath, but that the staff should not press this issue.

LeWinter then indicated that he had been carrying a burden for a significant period of time and wanted to tell the Task Force, under oath and on tape, what he had told no one previously—"the complete truth." LeWinter then stated under oath that his "October Surprise" allegations had been a complete fabrication. LeWinter stated that he began to construct the story during his incarceration in 1986–7 at the Metropolitan Correction Center in New York, where he was serving a sentence for federal drug conspiracy charges.[116] According to LeWinter, this drug conspiracy involved one of the largest amphetamine distribution rings ever uncovered. He said he felt he had been wrongly treated by the federal government and wanted to extract revenge.[117]

At some point during his incarceration, LeWinter read that the American hostages in Tehran had been released just minutes after Ronald Reagan's inauguration as president. This struck him as strange. A reporter friend of LeWinter's told him that he thought that there must have been "some deal . . . made outside the Carter Administration between the Republicans and the Iranians." [118]

LeWinter stated that his idea of exacting revenge became a preoccupation, and that he started researching and investigating. He read old newspapers and magazines in the prison library at the Metropolitan Correction Center in New York. He even began to study Farsi, reading Persian poetry, to sharpen his language skills. During much of this period, LeWinter's cell mate was the highly publicized Italian P-2 figure, Francisco Pazienza. A renowned Czechoslovak spy was housed just a few cells away. From conversations with them, LeWinter obtained added texture and background for the story that was developing in his head. LeWinter stated that, during 1987,

> "I spent my days at the library researching. And I read everything including foreign language newspapers. I was teaching myself Farsi because I wanted to read Iranian newspapers. I translated Persian poetry in order to teach myself the language." [119]

Sometime later LeWinter met an Australian reporter and told him the germ of his "October Surprise" story.[120] That reporter eventually put LeWinter in touch with Barbara Honegger.[121] LeWinter noted that he spoke to Honegger just after he had finished eating a bowl of raisin bran. When she asked his name he said "Razine." He said that she asked him certain questions from which he was able to extrapolate additional information that could be blended into his story.[122]

LeWinter provided an example of how he wove his actual experiences into the story to give it credibility. He noted that he had actually been in Paris with relatives on the weekend of October 18 and 19, 1980. While in Paris, he had walked by the American embassy and had noticed that there was a lot of activity. Later, when speaking to Honegger, he told her about the activity at the embassy. LeWinter said Honegger stated that she understood the same thing and suggested that there had been meetings. He also told how he used journalists to build the story. For example, he stated that Honegger "kept asking me leading questions, so every time I talked with her, I learned more, some of which I fit in, some I didn't." [123]

Honegger put LeWinter in touch with many other reporters, such as Martin Kilian of *Der Spiegel*, whom he also used to develop his story. At one point, when he made a telephone call into a radio talk show, LeWinter's voice was recognized by someone who knew him. LeWinter disliked the fact that people now knew who he was, so he began to put out a "disinformation story." During the 1988 Presidential campaign LeWinter even began telling reporters that he was being paid to sow disinformation, "to pepper my story with lies so that

reporters would drop out and not be interested and Bush would get [elected]." [124]

In short, over several years LeWinter factored into his story information that he learned from telephone calls from journalists and newspaper articles. He disseminated disinformation to keep reporters and others off balance. He stated that most of the reporters with whom he dealt were serious, often skeptical, and usually trying to play the story straight. LeWinter noted that at least one German reporter with whom he spent a great deal of time talking became extremely skeptical of his story and strongly encouraged him "to tell the Task Force the truth, whatever it was." [125]

LeWinter stated that much of the intelligence background he claimed was also a fabrication. For example, he stated that his references to years of employment in the United States intelligence community were false. He claimed that he would occasionally provide information to military intelligence authorities, but he acknowledged that he was not a military intelligence official.[126]

Finally, LeWinter stated that he was now happily married andno longer had a "desire for revenge." [127] But he stated that even during the early part of his Task Force interview, he "was seriously considering bluffing it out." [128] In fact, he had brought along a 1980 diary in which he had falsified a number of entries.[129] In the final analysis the Task Force found LeWinter's recantation under oath to be far more credible, internally consistent, and logical than his myriad prior unsworn stories.

3. Persons Claiming or Alleged To Have Second-Hand Knowledge

a. Jamshid Hashemi

The Task Force interviewed Martin Kilian, a reporter for *Der Spiegel.* He stated that in May, 1989 he interviewed Jamshid Hashemi, who told him about the Paris meetings. According to Kilian, Hashemi stated that on July 4, 1980, Stanley Pottinger attended a meeting in Madrid on behalf of the Carter administration, and that in late August, 1980 Cyrus Hashemi and Pottinger met with Henry Kissinger in London.[130] Jamshid Hashemi stated that Cyrus Hashemi had been "bought off" by the Reagan campaign. Jamshid Hashemi also stated that he believed that John Shaheen, a business associate of Cyrus Hashemi, Roy Furmark, a business associate of Shaheen, William Casey, Adnan Khashoggi, and, later, Cyrus Hashemi, had been involved in the meetings.

According to Kilian, who produced his contemporaneous notes of his interview with Jamshid Hashemi, Jamshid Hashemi stated that Cyrus Hashemi told him of two later meetings—one in Paris and one in Zurich. The participants in these meetings included Ahmed Khomeini, Hamid Nagashan, Sadegh Ghotbzadeh, Manucheher Ghorbanifar, Richard Helms, Henry Kissinger, William Casey and Robert McFarlane. Kilian stated that it was his impression that Hashemi spoke as if he had been at the meetings.[131] On these points, Jamshid Hashemi is not a credible witness. In his deposition by the Task Force, Hashemi categorically denied that he had any knowledge of a meeting in Paris. Indeed, he denied ever having met Kilian.[132]

In 1991, *ABC Nightline's* Ted Koppel quoted Jamshid Hashemi's statement about the Paris meeting. The *Nightline* transcript shows Jamshid stating that his brother, Cyrus, had been present in Paris and had told him that George Bush had not been present.[133] When confronted with Nightline's reporting of his statements in 1991, Jamshid Hashemi claimed to have denied any knowledge of a Paris meeting when interviewed by the staff of ABC's Nightline.[134] He claimed that he had merely acknowledged that such a meeting was possible.

Jamshid's testimony regarding Koppel's remarks, however, is impeached by nearly identical statements about Paris meetings that he has made to Gary Sick. According to Sick, during an interview with Jamshid in London on October 13, 1990, Jamshid "referred to unspecified meetings in Paris. He said he had not been present but had heard something about them from Cyrus, who had participated. He said these were follow-up meetings after Madrid. He . . . identified Casey and Ghotbzadeh as participants." [135] Two days later, Sick "pressed [Jamshid] harder about possible Paris meetings." [136] Jamshid maintained that he was not at the meetings, and indicated that he was "confused about exactly what happened." But he told Sick that he had heard about the meetings

from his brother Cyrus, and that Cyrus had "arranged the whole thing." [137]

In sum, there is a considerable record of statements by Jamshid manifesting his alleged knowledge of meetings in Paris involving Cyrus Hashemi and William Casey. Accordingly, it is disingenuous, at best, for Jamshid now to attempt under oath to recant these allegations by either denying that he never met with certain journalists or denying that he told them that he had knowledge about meetings in Paris.

Because of Jamshid's shifting position on Paris it is impossible to know which if any story to believe. In any case it is clear that if he ever told anyone about a Paris meeting, he has now recanted his earlier versions.

b. Houshang Lavi

Gary Sick reports that Houshang Lavi, a deceased Iranian expatriate arms merchant, claims that he accompanied Cyrus Hashemi to Paris and that Hashemi attended the meetings in Paris in mid-October. According to Sick, Lavi described the events in Paris to him. Sick reports that Lavi told him the following: Cyrus Hashemi called Lavi on approximately October 14, 1980. Though they had not previously met, Lavi joined Hashemi in London, and then the two flew to Paris. They stayed for three or four days, lodging in the Hotel Raphael. Allowing time for travel time, Lavi's claims would have put him in London and Paris between approximately October 14 and October 19 or 20, 1980. Lavi reported to his family that the meeting was arranged by the CIA. [138]

According to Sick, Lavi claimed not to have attended the meetings and only could report Cyrus Hashemi's description of their participants and content. Hashemi reportedly said that he was meeting with William Casey in order to gain the release of the hostages. Lavi claimed that the hostages would be released after the November 4, 1980 elections in order to prevent President Carter from getting any credit for their release. Hashemi is said to have identified a man by the name of Shaheen as the contact between Casey and Hashemi. [139]

During this time period, as noted earlier, Lavi was represented by Mitchell Rogovin. According to Rogovin, during the fall of 1980 Lavi hired him to make contacts with the Carter administration in order to offer his services to help negotiate a settlement of the hostage crisis. Coincidentally, Rogovin was also general counsel for John Anderson's presidential campaign, and kept a detailed diary of his activities. The diary showed that Rogovin arranged meetings for Lavi with various officials in the Carter administration between September 29, 1980 and at least October 15, 1980. Rogovin was deposed by the Task Force and provided detailed information which showed that Lavi was neither in Paris nor London, as alleged.

Based on the evidence gathered by the Task Force, it is clear that Lavi's story is not credible. Irrefutable evidence shows that neither he nor Cyrus Hashemi was in London or Paris during the time period Lavi alleged. Lavi's claim that he received a telephone call from Hashemi on October 14, 1980, and immediately flew to join him in London is patently false. The FBI/FISA wire intercepts show that on October 14, 1980, Hashemi flew from London to New York and arrived at approximately 8:30 a.m. that morning. [140] In addition, Rogovin's testimony and diary show that, rather than being in London or Paris, Lavi was in Washington during most times relevant to his Paris allegations. Finally, Rogovin advised the Task Force that Lavi had visa problems that would have prevented him from meeting with Hashemi in London and attending the alleged Paris meetings. [141]

Rogovin testified that on October 14, 1980, Lavi told him about six telephone calls he had received from Tehran on October 13. Rogovin also stated that on October 14, 1980 Lavi participated in several telephone conversations with Assistant Secretary of State Harold Saunders.

Rogovin testified that on October 15, 1980 Lavi flew to Washington and met with Saunders. [142] On October 16, 1980 Lavi told Rogovin about Prime Minister Raja'i's trip to New York, President Bani-Sadr's discussion of a proposed arms/hostages swap, and a possible meeting with Prime Minister Raja'i. Rogovin's note specifically reflected Lavi telling him that "the Prime Minister is a hardliner, is not going to deal with Carter, under no circumstances are 'they willing to deal with the present administration.' " [143] The following day, Lavi told Rogovin that he again had spoken with Tehran and that they "stressed to him they don't want

to deal with the Carter administration but do want to swap."[144]

On October 19 Lavi called Rogovin to tell him that President Bani-Sadr's foreign advisor had called and wanted to meet with Lavi. On October 20 a person described as Bani-Sadr's foreign advisor, reflected in Rogovin's notes as Navab Safavi, visited with Rogovin and Lavi in Rogovin's Washington office. Rogovin indicated that nothing substantive came of the meeting.[145] Rogovin was asked why his notes from that meeting seemed to end in mid-sentence, and he indicated that he either "ran out of inches or interest, one of the two." [146]

On October 21 Lavi told Rogovin that a foreign agent in Paris had sold documents indicating United States and Israeli involvement in the war in Iraq. Rogovin's notes go on to say "48 hrs. Iranian agent coming," then "No release of anybody before election," and then "Want to talk to Bush." Rogovin could recall nothing with respect to the entry concerning the documents sold in Paris or to an Iranian agent coming in 48 hours. He indicated that, with respect to the entries regarding the hostage release and George Bush, "the talking to Bush is a reflection of the frustration of 21 days of trying to talk to the State Department. The no release of anyone before the election was a staccato theme that was being played at this point. He [Lavi] was reporting back, they don't want to deal with this administration, they want to see the moves. No one is going to be released until after the election . . . . . he is reporting what he is being told by the Iranians that he is speaking with." [147] Later that day, Rogovin's notes suggest that Assistant Secretary Saunders at the State Department had called to report that President Bani-Sadr had said that Lavi had no authority to represent him and that no one had authority to negotiate for them.

On October 24 Rogovin's notes suggest that Lavi asked him a number of questions regarding what would happen if President Carter issued an executive order to unfreeze the Iranian governmental assets.

On October 26 Lloyd Cutler arranged for a briefing by Saunders. At that briefing, Rogovin indicated that we "will give $125 (million) in arms but hold back on 'Phoenix-type lethal weapons'."

The following day, after a discussion with Lavi, Rogovin's notes indicate that Lavi would be in California on October 29 and provide a number where he could be reached. Rogovin acknowledged that if Lavi was going to be out of town or somewhere other than the normal places where he could be reached, he would provide his number to Rogovin.[148] He also had indicated that he did not "recall [Lavi] being out of the country during this period of time. He had a visa problem. He had a problem in travelling. It was not easy for him to travel . . . . . there were places in Europe, for example, that he couldn't go. At a later time, we were supposed to meet in England and it had to be Spain." [149]

On October 28, Rogovin's notes suggests that Lavi indicated that the news was still the same—there would be no hostage release until after the election. According to Rogovin's notes, Lavi gave the same message on October 29.

On October 31 Lavi told Rogovin that rumors of the hostage release were unfounded. Rogovin's last entry with respect to the hostages was on November 2, when he indicated that Saunders had called at 6:15 a.m. to advise Rogovin about the decision of the Iranian Parliament with respect to the hostages. Rogovin indicated that he did not keep notes of discussions he may have had with Lavi regarding the hostages after the election on November 4 election, nor could he recall the substance of any discussions.

Rogovin also indicated that he was never told by Lavi about a meeting at the L'Enfant Plaza Hotel with Richard Allen or Lawrence Silberman and that he was positive that he would have remembered that because he had been dealing with Silberman at that time on another issue.

Rogovin indicated that he knew Cyrus Hashemi's name from a Customs case in mid-80, for which Lavi was acting as an informant, but that Hashemi's name didn't "ring a bell" with respect to the 1980 hostage negotiations.[150]

Rogovin also indicated that he felt that Lavi became "less reliable, less honest" as time went on.[151] He added that Lavi never discussed the "October Surprise allegations" with him.[152]

Interestingly, in response to questions by the Task Force Rogovin related a story regarding Lavi's request for Rogovin's help on an Israeli/Iranian arms deal in the 1982 time period. This

transaction shares some common elements with the October Surprise allegations, it was clearly unrelated.

The Task Force concludes that Lavi's testimony regarding Paris is a fabrication. Rogovin's testimony that Lavi was in Washington, D.C. on the days when Lavi later claimed to have been in London and Paris with Hashemi, together with FISA evidence that Hashemi was not in London or Paris on those days disprove Lavi's claim. Furthermore, Lavi's claim to have been in Paris is not believable in light of his having told Rogovin on October 21, 1980, that he wanted to present his ideas to George Bush. Had Lavi been in Paris a day or two before learning about a hostage deal involving Casey and Bush, it defies belief that he would have raised the topic of the meeting with Bush.

The Task Force found Rogovin to be a credible witness for a variety of reasons, including the details provided in his diary and the fact that he chose to report Lavi's proposals to the CIA and the State Deparment immediately.

c. William Herrmann [153]

William Herrmann was born in Danzig, Germany in 1936. He arrived in the United States in 1950 and settled in Michigan. After graduating high school he joined the United States Army, specializing in ordnance and transportation. He was honorably discharged in 1959. From 1962 to 1964 he worked for an air freight company, Worldwide Services, at Kennedy Airport in New York. In 1964 he started his own air freight forwarding company at Kennedy Airport, Continental Air Transport. Continental had offices throughout Europe and the Middle East.[154] Continental operated until 1964, when "complications at Kennedy Airport" [155] forced him to close down. In 1970, Herrmann established International Resources Development Company (IRDC).[156] IRDC was engaged in the arms business, specializing in small arms: pistols, submachine guns and revolvers.[157] IRDC shipped directly out of Brazil to its clients worldwide.[158] Herrmann operated IRDC in New Jersey and Frankfurt, Germany between 1970 and 1985, when it closed.[159] Herrmann unconvincingly claims that no records of IRDC's business dealings exist because they were destroyed by the warehouse people that housed them for non-payment of bills.[160]

Herrmann first started selling military arms to Iran [161] in 1980, following a meeting with Hamid Nagashian who was, at the time, the authorized arms procurement official for the Revolutionary Guard in Iran.[162] Herrmann was introduced to Nagashian in the fall of 1980 by Otto Schaller, another arms dealer and friend of Manuchehr Ghorbanifar.[163] During the meeting, Herrmann testified, Nagashian told him that he was interested in purchasing arms for the Revolutionary Guard. Herrmann showed Nagashian brochures from Taurus International, a Brazilian manufacturer licensed by Baretta. Nagashan placed orders for three models of guns.[164] The guns were then shipped to Iran by Taurus, and Herrmann collected a commission.[165]

Nagashan and Herrmann thereafter established an ongoing business relationship. According to Herrmann, whenever Nagashian needed additional guns he would contact Herrmann, who would place an order with Taurus.[166] This arrangement lasted from 1981 to 1985,[167] when Herrmann got out of the business.[168]

Herrmann stated that in January, 1981 he was invited to Tehran by Deputy Minister of Defense, Ahmed Azzizi.[169] The purpose of the trip was to negotiate arm purchases for the Iranian Army. According to Herrmann, Nagashian had arranged the Azzizi invitation.[170] Herrmann stated that he arrived in Tehran on approximately January 18, 1981 [171] and was provided accommodations at the Hilton Hotel.[172] Herrmann said that Nagashian came to the Hilton on January 21, 1981, to discuss the release of the hostages. Herrmann stated that Nagashian told him that the timing of the hostage release was the result of a deal with Reagan campaign people; some of his testimony follows:

> Q: And tell us, if you would, what Nagashian told you, if anything, about the release of the hostages?
>
> A: Well, he told me that a deal had been negotiated by some people in the Reagan administration and that the hostages would be released at the time Reagan was sworn in.
>
> Q: Did you ask Nagashian how he came to know this?

A: Yes. Well, I didn't ask him, he told me.

Q: And what did he tell you?

A: That he was aware and he had been in Europe at the time when the negotiations took place.

Q: He, Nagashian, was personally in Europe at the time?

A: He was in Europe at the time, yes.

* * * * *

Q: And tell me specifically what he said with respect to how that agreement came to take place?

A: He said for some time the Iranians had been negotiating with senior officials in the Reagan administration on the release of the hostages and also the delay in releasing them earlier.

Q: Did he indicate to you at this time who, on behalf of Iran, was involved in these discussions?

A: Mohammed Beheshti, Hakim, Rafsanjani, Mohsen Rafiqdust. Meetings with Casey, Allen and McFarlane. These were the three people that were involved.

Q: So from Iran's standpoint, Nagashian says the three individuals involved in the negotiations concerning the hostages for the [Iranians] were Beheshti, Hakim, Rafsanjani and Mohsen Rafiqdust, and the people working or negotiating with them on behalf of the United States were William Casey, Richard Allen and Robert McFarlane. Where did he say the negotiation took place?

A: He said the negotiations took place in Paris.

Q: Where in Paris, do you recall?

A: He didn't say.

Q: When in Paris?

A: October, September, October, 1980.

Q: Did he indicate that he, himself, had attended these meetings?

A: No, he didn't say that, but he was in Europe at the time and he knew that these people were in Europe at the time, also.

Q: Did he indicate to you how he knew that they were in Europe?

A: He didn't give me any indication how he found out, but, apparently, he knew what was happening at the time due to his position . . .[173]

Thus, Herrman said Nagashian told him that the deal was negotiated in Paris in the Fall of 1980 (probably September or October), and that the participants in the negotiations were Mohammed Beheshti, Albert Hakim, Rafsanjani and Mohsen Rafiqdust for the Iranians and William Casey, Richard Allen and Bud McFarlane for the Reagan Campaign.[174]

Task Force counsel asked Herrmann whether he told anyone about the Nagashian conversation contemporaneously. Herrmann said that he confidentially advised the CIA of the information obtained from Nagashian. Having told the government his tale, Herrmann said that he felt no other responsibility to raise the subject elsewhere.[175]

The Task Force was concerned about Herrmann's connection to Richard Brenneke who had been shown to be untruthful. The Task Force questioned Herrmann about how he had surfaced as an October Surprise witness. Herrmann was evasive about his contacts with Richard Brenneke and Barbara Honneger.[176] This evasiveness led the Task Force to question Herrmann's veracity:

Q: During this time period did you have contact with Barbara Honegger herself?

* * * * *

A: Yes, she contacted me before her book was published. That is how I got in there. How she got my name was through London, I believe, if I recall correctly.

Q: You see, that strikes me as odd. How would she get your name through London? What happened in

London that she could possibly get your name?

A: Because of the publicity I received.

Q: What publicity did you receive with respect to October Surprise-related activities?

A: None. None.

Q: So how did she get your name?

A: I don't know. It could have been through Brenneke. I don't know.

* * * * *

Q: Well, how did Brenneke get your name? You say maybe through Brenneke. How would Brenneke have gotten your name to tie you into the October Surprise to get you to Barbara Honegger if you have not gone public with any statements about October Surprise-related activities?

A: I don't know. I don't know.

Q: Did you ask Brenneke that?

A: No I didn't.

Q: I mean——

A: As I said, I don't want to know. I don't want to get involved.

Q: But it is quite a puzzle. I mean, here you have remained silent about this October Surprise matter, and then all of a sudden two people, Brenneke and Honegger, are calling you up and saying, I hear you have information relevant to October Surprise. It would strike me the first question out of my mouth is what are you talking about.

And if it wasn't, why would you choose to go public with them for the first time; Brenneke, a person about whom you felt was less than honest; and Honegger, a person you didn't know? Why would you do that?

A: Well, as I said, I didn't know Brenneke either. I had never met the man personally, and, you know, Brenneke is very good with collecting information, whether it is through newspapers, news media or whatever, and maybe he picked up my name through the news media. I don't know.

Q: But your name isn't in the news media relating to October Surprise.

A: I know that. I know that.

Q: So how could he pick it up?

A: I don't know . . [177]

Herrmann's answers were disingenuous, at best. At worst he completely fabricated his knowledge of and participation in the October Surprise allegations. It is difficult to believe that Herrmann was contacted out of the blue by Honegger or Brenneke. It seems more likely that he affirmatively sought them out from his prison cell in an effort to insinuate himself into the October Surprise theory in much the same way as did Oswald LeWinter and others. Herrmann might also have been motivated by a desire for revenge against the United States Government or for a shorter prison sentence. In any case, Herrmann's story is factually flawed, especially in light of the CIA contact report and the testimony of Nagashan, discussed below.

The Task Force spoke with the CIA agent who Herrmann contacted. The agent indicated that during late 1981 or early 1982, FBI's Newark office advised the CIA that William Herrmann with various offenses, including smuggling and theft of motor vehicles. As a result of these charges, Herrmann determined that it was in his best interests to cooperate with the U.S. Government. Among other things, he made statements concerning Iraq. The FBI notified the CIA of Herrmann's cooperation and suggested that an interview concerning the international matters he had raised should be arranged.[178]

A CIA agent was assigned to contact Herrmann and evaluate his utility as an intelligence source. Background checks revealed that Herrmann had been arrested on several other occasions, in addition to his current charges. As a result, the CIA concluded that Herrmann would not be a useful source.[179] During the initial screening process, however, Herrmann frequently telephoned the agent to volunteer information. Most of the information was vague and unusable. The agent characterized Herrmann as elusive and hard to pin down. He indi-

cated that Herrmann only provided information on Iraq, and was only able to produce a list of arms requirements from the Iraqi Ministry of Defense. According to the agent, Herrmann never discussed Iran or the October Surprise allegations.[180]

The agent's last conversation with Herrmann occurred just before the holidays, when Herrmann was to report to Leavenworth Penitentiary. Herrmann was desperate to avoid incarceration. He said he would do anything for the United States Government, including being airdropped into the Soviet Union. The agent considered Herrmann to be an unreliable source and the Agency did not rely on him.

Finally, without success, the Task Force investigated the relationship among Herrmann, Brenneke and Honegger.

Given Herrmann's implausible statements regarding his contacts with the CIA, his failure to bring these allegations to the attention of law enforcement authorities and the CIA at the time he faced incarceration, and his contacts with Brenneke and Honegger, the Task Force considered his testimony to be untruthful. In addition, as demonstrated below, testimony of Hamid Nagashan further undercuts Herrmann's testimony.

d. Hamid Nagashan [181]

Hamid Nagashan was born in 1954 in Tehran. After his father's death, he began a carpet exporting business. Prior to the Shah's departure, Nagashan joined the anti-Shah political movement and lived "underground". After the revolution and the return of Khomeini, he was assigned the task of safeguarding Khomeini's house and personal safety. Through this work he developed a close relationship with Khomeini. When Iraq invaded Iran in September 1980, Khomeini named Nagashan to the position of deputy chief in charge of logistics for the Revolutionary Guard. In this capacity he was responsible for the volunteer force (BASIJ), including logistics and support. He was regularly required to travel to Europe to procure arms for the Revolutionary Guard.

According to Nagashan, on one such trip he met William Herrmann. He stated that he was introduced to Herrmann by an individual named Ameri. Ameri introduced Herrmann as an arms supplier who could obtain mortars, mortar rounds, heavy equipment and small revolvers.[182] Nagashan claims to have met with Herrmann on only two occasions. Neither of these occasions was in Tehran on January 21, 1981 as Herrmann claimed.

During his interview, Nagashan was asked about the substance of Herrmann's testimony regarding the January 21, 1981 meeting at the Hilton Hotel. Nagashan categorically denied that such an encounter ever occurred.

Nagashan stated that he did not see Herrmann on January 21, 1981. He stated that it would have been impossible for Herrmann to have entered Iran at that time. He denied that he was in Europe during the period of the alleged Paris meetings. Furthermore, Nagashan stated that the Iranians alleged by Herrmann to have been participants in these meetings were members of rival factions and would never work together as part of a negotiating team. Finally, he said that Mehdi Karrubi had neither the mental abilities nor the confidence of Khomeini necessary to negotiate an October Surprise deal.

Nagashan testified that it would have been impossible for Herrmann to have obtained permission to enter Iran in January 1981 given the climate of anti-Americanism. Herrmann would have a passport from another country and, in all likelihood, an entry visa. Nagashan said that he doubts that Herrmann would have been able to obtain the necessary papers. Furthermore, Nagashan testified that he was not in Europe at the start of the Iran-Iraq war, in September, 1980. He testified that he was in Tehran at the time and was unable to speak English. He knew nothing about secret meetings held in Paris. Indeed, as indicated above, Nagashan testified that it would have been impossible to believe that Beheshti and Rafiqdust would have participated in the same meeting. They were from two different levels within the Iranian hierarchy and they never would have joined together as a singular negotiating team. Finally, Nagashan indicated that Mehdi Karrubi would not have served as a representative of Khomeini in 1980 because he was not close to Khomeini and he was "too low level a guy". Tabatabai would have been the logical choice. Such a meeting would have been well beyond Karrubi's mental capacity and position.[183] Finally, in a follow-up telephonic interview, Nagashan indicated that he primarily purchased arms from China—not

Europe. At no time did he purchase surplus NATO arms.[184]

In compliance with the Task Force's request, Nagashan sent copies of correspondence regarding Taurus. The documents appear to corroborate his assertion that the transactions with Herrmann took place in late 1981, not 1980 as Herrmann claimed. As a result, the Task Force found Nagashan's testimony more credible and consequently, Herrmann's testimony not credible and a fabrication.

e. Abol Hassan Bani Sadr

Former Iranian President Bani-Sadr, who was deposed in September, 1992 arrived at the conclusion that there were secret contacts between Republicans and Iranian officials in October, 1980 by a circuitous route. According to Bani-Sadr, the fact that Tabatabai replaced Passindideh, as Khomeini's emissary to President Carter proved that Passendideh's earlier Madrid contacts with the Americans must have been with Reagan surrogates. Bani-Sadr reasoned that if Passindideh had met with Carter representatives, there would have been no point in replacing him with Tabatabai. His replacement proves that the earlier meeting must have been with Republican representatives. Indeed, because Bani-Sadr was told by Passindideh that he met with Republicans, Passindideh was not allowed to participate in follow-up meetings with Carter representatives. Otherwise, Bani-Sadr would have been in a position to inform the Iranian public that Khomeini was in fact engaged in secret talks with Americans despite his public pronouncements that such contact would not be tolerated. Thus, Tabatabai secretly, and unknown to Bani-Sadr at the time, replaced Passindideh and met the Carter representatives in Germany.[185]

Bani-Sadr's analysis demonstrates how some Iranians may have mistakenly misled themselves to believe that Khomeini representatives met with Reagan campaign officials. Reza Passindideh did meet with Cyrus Hashemi and Stanley Pottinger in July 1980. But Pottinger, a Republican, arranged and attended the meeting with the knowledge and approval of the Carter State Department.[186] If Iranians later learned that Pottinger was a former Ford administration official, they may well have leaped to the conclusion that Pottinger continued to represent the Republicans.

Continuing with his analysis, Bani-Sadr indicated that the contact between Tabatabai and the Americans was sanctioned by Khomeini because Khomeini was fearful that a war with Iraq was imminent, and that Iran lacked the military means to defend itself. Khomeini, could no longer wait for Reagan to come to power to supply the needed arms. Because Carter had promised to release weapons previously purchased upon release of the hostages, Khomeini was willing to engage the Carter administration in secret negotiations.[187] These contacts would have proved successful had Khomeini not changed his mind again.[188] According to Bani-Sadr, Khomeini was reassured by President Carter's public statement that he didn't want Iran to lose its war with Iraq. Following Carter's statement, Bani-Sadr stated Khomeini returned to his previous strategy of dealing with the Republicans.

The Task Force asked Bani-Sadr to explain the basis for his opinions and to produce, if possible, documentary or other evidence that would support them. Bani-Sadr explained that he had received "information" that a meeting was scheduled in Paris between Casey and Rafsanjani. While the source of the information remains unknown to him, he suggested that the meeting's existence was proven by the fact that both Raja'i and Rafsanjani made prearranged statements on October 22, 1980 in Parliament to the effect that "Iran doesn't need American weapons and American spare parts." As commander-in-chief, Bani-Sadr knew that Iran desperately needed American weapons and spare parts. The fact that the two clerics made such a prearranged and patently untrue statements proved to Bani-Sadr that a secret deal must have been struck earlier in October between the Republicans and clerics bent on toppling Bani-Sadr's presidency.[189]

Bani-Sadr offered the Task Force many documents in support of this conclusion. These documents consisted of letters he wrote contemporaneously with the events under investigation and other analytical writings completed since then. None of the documents bear directly on the allegations under investigation, unless one accepts Bani-Sadr's deduction that the actions by the Mullahs to topple his presidency were taken following a secret deal with the Republicans. The documents themselves, however,

offer no proof of such a deal, and the Task Force is not pursuaded by Bani-Sadr's reasoning. It is the view of the Task Force that the points made by Bani-Sadr accurately reflect the fact that the fate of the hostages was intimately linked to internal Iranian political struggles and that delay in the release of the American hostages could be explained without reference to an October Surprise deal.

Francois Cheron [190] and Christian Bourget [191] are French attorneys who represented Sadegh Ghotbzadeh, Abol Hassan Bani-Sadr and the Government of Iran at various times in the 1970s and 1980s including the duration of the hostage crisis. By virtue of their association with Ghotbzadeh and Bani-Sadr, and as a result of spending many weeks in Tehran, Cheron and Bourget concluded in their own minds that Reagan campaign officials had negotiated a deal with the Iranians. The Task Force interviewed these attorneys at length in an effort to ascertain the basis for their beliefs.

f. Francois Cheron

Cheron's conclusion that Reagan campaign officials entered into a secret deal is based upon the following deductive analysis:

First, in the summer of 1980 Ghotbzadeh and Bani-Sadr separately told him that they believed that a secret deal had been made.[192] Neither offered any proof. Second, he could not explain the repeated failures of his hostage negotiations. He said,

> "You know, it's very strange that each time we were at the point of making a very important step for the freedom of the hostages and a settlement of the crisis, either in Iran or in Washington in America, there were some events which were destroying our efforts." [193]

These failures, he concluded, must have been the result of outside interference. Third, when he was retained by Iran to help recover $56 million which it claimed had been stolen by Ahmed Heidari, he discovered that the weapons shipped to Iran in October, 1980 came, in part, from Israel and from NATO stockpiles in Lisbon, Portugal and from Israel. Cheron believed that such shipments could not have been made without United States intervention and/or approval.[194] Fourth, he was aware of the memorandum from Jacques Montanes suggesting that an October arms deal was approved, or at least not objected to, by French intelligence authorities.[195]

Cheron readily admitted that he had no proof of this theory. But he remarked that his conclusions were based upon a series of developments that were unlikely to have occurred by mere coincidence. Cheron added that he would change his opinion about the existence of a deal if it were shown that the Israelis had told the Carter administration about the deal, at or about the time it occurred, and the United States had approved or accepted it. Under this scenario, it could not then be said that the "Reagan people were trying to destroy the official negotiations for the release of the hostages and to [instead] delay the release of the hostages." [196] If, however, the Carter administration did not approve the sale, then he would maintain his original position. [197]

The Task Force found Cheron to be a credible witness but disagreed with his analysis for several reasons. First, neither Ghotbzadeh nor Bani-Sadr then or now could point to any substantive evidence of a deal. Second, as discussed throughout this report, external factors did influence the hostage negotiations but most were based on identifiable factual circumstances. Third, there is no evidence that the arms deal in October was related to the hostage negotiations in Paris. In fact, the arms deal seems to predate the alleged October meetings. Finally, the "approval" of French intelligence agencies has been explained by those involved in the deal without reference to a CIA-French intelligence conspiracy.

While Cheron's logic has superficial appeal, it does not, in the opinion of the Task Force, withstand close scrutiny.

g. Christian Bourguet

Bourget, like Cheron, believes that secret meetings between Republicans and Iranians occurred in part because Ghotbzadeh told him they did. Bourget indicated that Ghotbzadeh was firmly convinced that the meetings occurred. But, Bourget also pointed out that while "He [Ghotbzadeh] always told me that he suspected that things like that were happening, he had no evidence of that, but he was suspecting that. And he was, he believed that people

like Kissinger, or people around him, had kept with the clerics through commercial channels. He was positive of it."[198] Bourget also believes that a secret agreement made sense for the radical clerics because, as long as the hostages were held, Iran could not properly be governed by the secularists. This left a power vacuum for the clerics to fill.

With respect to the likely Iranian emissary, Bourget felt that it was not out of the realm of possibility that Mehdi Karrubi was sent. Although Bourget noted that Mehdi Karrubi "at the time was nothing,"[199] he remarked that a person of limited reputation could more easily hold surreptitious meetings, especially in Europe, without detection. Similarly, Bourget felt that Tabatabai could also have done work for Beheshti.

> So, if I was Beheshti, for example, and I wanted to discuss directly with the Americans, I would send someone like Tabatabai to discuss. And I know that one could discuss at the same time, without no friendship or promise, no doubt, discuss as well with Reagan people as Carter people, who pays more. This is a . . . plan.[200]

Bourguet's reasoning, like Cheron's, is difficult to support. With respect to the Ghotbzadeh statements, Bourget himself noted that Ghotbzadeh had no evidence for his beliefs. More compelling, however, was Bourget's suggestion that the Republicans whom Ghotbzadeh thought were dealing with the Iranians were not the Republicans who figure prominently in the October Surprise scenario. Specifically, Bourget indicated that Ghotbzadeh's speech before the Majlis—in which he mentioned that the Republicans were dealing with Iranians came in response to the Shah's departure from Panama just before the extradition papers could be presented to the Panamanian government. In Iran, it was believed then that someone within the Chase Manhattan Bank, where the Shah has large sums of money deposited, was in contact with Henry Kissinger, who, in turn, informed the Shah of the extradition papers. The Chase Manhattan Bank is controlled by the Rockefellers, who are Republicans. Bourget said that the Rockefellers were probably most often thought of as the Republicans Ghotbzadeh was referring to in his speeche. The Ghotbzadeh statement may therefore be irrelevant to the main October Surprise hypothesis.

Second, as stated above, internal Iranian politics provide a basis for concluding the clerics did not have any reason to strike a deal with the Republicans.[201]

Finally, the argument that Mehdi Karrubi, a "nobody" without close ties to Khomeini, could, because of his anonymity, be used for secret negotiations with the Reagan campaign, is not credible. It makes no sense that someone without solid ties to Khomeini would be entrusted with such a sensitive role. The risks to that individual would be too great without Khomeini's consent.[202]

While it is worth acknowledging the important role that Francois Cheron and Christian Bourget played in efforts to gain the release of the hostages, the Task Force is unable to verify their conclusions regarding the October Surprise allegations.

h. Nicolas Ignatiew

Nicolas Ignatiew is an arms dealer residing in Europe. He was interviewed by the Task Force about his involvement in arms trafficking and related activities and to his knowledge of the October Surprise allegations. Ignatiew stated that he had been actively selling arms for over twenty years. He claimed to have developed close contacts with French intelligence personnel and others who operate within or on the fringes of the arms trafficking arena.[203] Through these contacts, Ignatiew claimed that he was introduced to Brenneke in about 1986.[204] Ignatiew advised that he was trying to assist French authorities in gaining the release of two Frenchmen being held hostage in Lebanon. Ignatiew thought that Brenneke might be interested in trying to arrange a similar deal for the American hostages in Lebanon. Ignatiew said that he made several unsuccessful attempts to arrange meetings with Brenneke with no success. After repeated failures to link up with Brenneke, Ignatiew concluded that Brenneke was unreliable.[205]

Ignatiew said that his knowledge of the October Surprise allegations derives largely from Brenneke. Ignatiew is convinced that Brenneke invented his (Brenneke's) involvement in the October Surprise meetings said to have taken

place in Paris. Ignatiew said that an alleged meeting among himself, Brenneke and Robert Benes—at which Ignatiew was to serve as the translator—this was a total fabrication.[206] Ignatiew implied that Brenneke and Benes somehow conspired to insinuate themselves into the alleged Paris meetings. Ignatiew has never met Benes. Furthermore, he opined that Brenneke's professed involvement in the October Surprise events may have come to pass as a result of Brenneke's contacts with journalists covering the October Surprise allegations. Although he offered no proof for these views, Ignatiew was absolutely convinced that Brenneke's and Benes' alleged involvement in the October Surprise meetings was "an invention" of Richard Brenneke.

Ignatiew stated that he had no specific information concerning the alleged Paris meetings. He said that after Brenneke had piqued his interest in these events, he informally "investigated" them among his contacts within French intelligence and the arms community.

Ignatiew said that based on these "friendly contacts", he was advised that a meeting did occur. When pressed for details, however, Ignatiew categorically refused to answer specific questions. All He would only say that he was told that "four or five people may know something and there are two persons who were witnesses." [207] He said that based on his discreet inquiry any such meeting would "have taken place not to delay the release of the hostages, but to get them released as soon as possible." [208] He again offered no leads, documents or other evidence supporting this conclusion and he refused to answer any questions regarding the basis for his opinions or the identity of the people with whom he had inquired. Given Ignatiew's refusal to provide specific information or leads, the Task Force cannot give any credit his statements.

i. Ahmed Salamatian

Ahmed Salamatian held a variety of government positions in post-Shah Iran. In February, 1980 he was elected to the Majlis,where he was aligned with President Bani-Sadr. He fled Iran in September, 1981 after assassination attempts were made against him.[209]

Salamatian also had no contemporary or first hand information regarding any secret dealings between Republicans and Iranian clerics. Only upon reflection and after consideration of the views of the others did Salamatian begin to believe in the possibility of a secret October Surprise deal.

Task Force staff spent approximately seven hours interviewing Salamatian.[210] His analysis went as follows.

From the initial attack on the U.S. embassy until the appointment of Raja'i as Prime Minister, Khomeini found a variety of reasons for the continued detention of the hostages.[211] Many of those reasons were transparent, according to Salamatian. In Salamatian's view, Khomeini's regarded the hostages as a means by which he could consolidate power in the hands of the mullahs, at the expense of the secularists. Salamatian said that Khomeini first announced that anyone who favored a release of the hostages had to be an agent of the United States.[212] Khomeini then proclaimed that the hostages could not be released until after the Iranian constitution was adopted.[213]

The constitution was eventually adopted and it made the prime minister the most important position in the government. Khomeini then declared that the hostages could not be freed until a prime minister was selected by the president. Bani-Sadr was elected president in January, 1980. Bani-Sadr nominated seven people for the position of Prime Minister and all of them were rejected by Khomeini. Khomeini next declared that the fate of the hostages should be left up to Parliament. Parliament began to discuss the hostages in June of 1980.[214] Parliament was divided, however, between the Rafsanjani/Beheshti clerical faction and the Bani-Sadr/Barzagan secularist faction. The hostage debate went nowhere because Khomeini was more concerned with orchestrating the selection of Raja'i as prime minister than he was in releasing the hostages. Raja'i was aligned with Khomeini. With the ascension of Raja'i to prime minister, Khomeini would control all of the important levers of power in the Iranian government.

Raja'i was named Prime Minister on September 5, 1980. From that point forward, Salamatian said, Khomeini had no need for the hostages. As a result, Tabatabai was sent to Germany to negotiate their release. Even though Khomeini had decided to rid himself of the hostages, it took until January 1981 to com-

plete the negotiations. Salamatian believes the delay was due either to the fact that the Iranian government was incompetent, or that they had an ulterior motive for stretching out the negotiations until after the American election. Salamatian concluded the latter was the case, citing the debates of the Majles to support his position.[215]

Specifically, Salamatian referred to the debates of the 55th Session of Parliament (October 2, 1980), the 61st Session (October 22, 1980), the 62nd Session (October 26, 1980) the 63rd Session (November 2, 1980) and the 100th Session (January 21, 1981). He claimed that his views were supported by the parliamentary rhetoric which sugggested an intentional effort on the part of Khomeini's allies to delay a resolution of the crisis.[216]

Each of the Majlis debates cited by Salamatian were translated and analyzed by the Task Force. The debate was long-winded, redundant and pedantic, but there is absolutely no mention of any secret deal to manipulate the timing of the release of the hostages. To the contrary, many of the speeches, especially those made during the 63rd Session on November 2, 1980, express the view that the outcome of the American elections should not play a role in determinating when and under what conditions the hostages should eventually be released.[217] Furthermore, throughout the Majlis debate of November 2, 1980, many speakers point out that, as far as Iran is concerned, there is no difference between Reagan and Carter. No mention is made of any arms deal in the debates. In fact, the vitriolic rhetoric directed at Israel and American supporters undermines the notion that there could have been the kind of secret collaboration between the clerics and the Israelis alleged by the those claiming to have participated in the October Paris meetings.

Hence, while Salamatian's reasoning appears superficially plausible and he appears to be a credible individual, the documents he provided do not support his analysis.[218] Salamatian, like Bani-Sadr and several others, sought to explain the stops and starts of the hostage negotiations process by reference to a single conspiracy theory. Such an analysis, while expedient, is not grounded in fact.

j. Investigative Reporters

The Task Force interviewed two investigative reporters with ties to intelligence matters. One is Claude Angeli, chief editor for *Canard Enchaine'*, a French newspaper, and the other David A. Andelman, a former television correspondent and now a writer.

Angeli investigated the October Surprise allegations to determine the extent of the French invovlement. Angeli spoke to sources in French intelligence (SDECE) and who claimed that de Marenches had provided "cover" for a meeting between American Republicans and Iranians in France between October 18–19, 1980. Specifically Angeli's sources stated that SDECE provided security for a meeting so that its substance and existence would remain secret. None of his sources, however, claimed to have had any involvement in this alleged operation.

Angeli's sources also claimed that de Marenches utilized a select group of loyal intelligence operatives, hand-selected because de Marenches could count on their strict confidentiality. Angeli further states that his sources claimed that no files existed within SDECE on this meeting, despite a search by Angeli's sources. As a consequence, while Angeli considered his sources to be reliable, he was not satisfied that the allegation had been proven. As a result, he never published the results of his investigation.

The second reporter, David A. Andelman, had a confidential relationship with the former chief of French intelligence, Alexandre de Marenches, with whom he had worked for several years as the co-author of his biography, which was published in 1992.[219] Andelman told the Task Force[220] that during the course of ninety hours of interviews with de Marenches between late 1988 and late 1991, de Marenches told him about the reported stories concerning meetings in Paris in 1980.[221] According to Andelman, de Marenches acknowledged setting up a meeting in Paris between Casey and some Iranians in late October of 1980.[222] Andelman could offer no additional details. Additionally, Andelman was not able to recall in the course of their exchange, the state of his (Andelman's) own knowledge of "these stories" at the time he questioned de Marenches, or the state of de Marenches' knowledge as to these allegations.[223] Moreover, Andelman stated that de

Marenches had only cryptically commented on these discussions, off the record, and had not given him any details as to the participants in the meeting, where the meeting occurred, or its stated purpose.[224] Andelman testified he did not pursue that information further because de Marenches did not want it included in the book.[225]

Andelman further noted that de Marenches was a man of considerable ego. Andelman could not therefore rule out the possibility that de Marenches had told him that he was aware of and involved in the Casey meetings because he, de Marenches, could not risk telling his biographer he had no knowledge of these allegations at a point when they were as yet unproven.[226] Andelman speculated that if something of that magnitude involving William J. Casey had in fact happened during de Marenches' tenure, without his knowledge, it would have been very embarrassing to him.[227] Indeed, Andelman acknowledged, that for de Marenches to have denied any involvement in, or knowledge of, such a meeting would have cast grave doubts about the true nature of his relationship with Casey should it ever be proven to have happened.[228]

In light of the above, the Task Force's assessment of Andelman's testimony was that while he was credible with respect to his recollection that de Marenches told him that he had arranged some form of a meeting between Casey and some Iranians, this purported statement was of little probative value given its cryptic nature. While the Task Force conducted a brief interview noted below with de Marenches *prior* to Andelman's testimony, it was unable to reach de Marenches to confront him with Andelman's testimony. Accordingly, the Task Force concludes that this uncorroborated and unverified statement is insufficiently probative to overcome the great weight of evidence indicating that no such meeting occurred.

k. De Marenches and De Marolles

Alexander de Marenches was the director general of SDECE from 1969 through 1981. Alain Gagneron de Marolles was the director of operations at SDECE until 1980. It has been alleged that de Marenches and/or de Marolles knew about, approved and provided cover for the Paris meetings between Reagan campaign officials and Iranian officials.

Task Force counsel separately interviewed de Marenches and de Marolles separately in Paris, prior to David Andelman's testimony. De Marenches specifically denied any knowledge of or participation in October meetings concerning the American hostages. He stated that during the summer and fall of 1980 he did not meet with Bill Casey anywhere in Europe. He further stated that neither he nor any present or former members of SDECE ever, with his knowledge or consent, provide cover for any hostage-related meeting at any hotel or other location in Paris.[229] Finally, he stated that during the intervening years he personally had not been told by any individual that such a meeting took place.[230]

De Marenches was also asked about his trip to see President-elect Reagan in California in December 1980. He was asked whether his invitation was related to alleged assistance in arranging the Paris meeting. He denied this and explained that he was invited to see President-elect Reagan through "mutual friends", not by Bill Casey.[231]

Alain de Marolles also categorically denied involvement in or knowledge of any secret meetings in Paris or elsewhere. He stated that he had left SDECE prior to October, 1980 and was not in a position to participate in or provide cover for any such meetings. de Marolles also denied any involvement or approval of arms deals [232] as part of a *quid pro quo* for the hostages.[233] He indicated that he knew none of the individuals involved in the later arms shipments. He claimed to have first heard about the October Surprise hypothesis when contacted by a reporter in 1990 or 1991.

The Task Force found it difficult to evaluate the information obtained from these individuals. Although both de Marenches and de Marolles had denied knowledge of any such meetings, neither Andelman nor Angeli appeared to have a hidden motive or agenda when describing for the Task Force their knowledge of the Paris allegations. While the Task Force found both reporters to be credible, neither reporter had ever found any evidence to corroborate these stories. The Task Force was also unable to corroborate these stories. The Task Force was unable to obtain the identity of, let alone interview, the intelligence sources cited by Angeli. The Task Force was also unable to con-

front de Marenches with the specific statements reported by Andelman. As a result, it is difficult for the Task Force to give any probative value to unsubstantiated hearsay allegations regarding a matter as serious as the one being alleged. In balance, such evidence, standing alone, is wholly insufficient to establish the fact of the October Paris meetings, especially as compared to the overwhelming credible evidence which tends to refute this allegation.

4. Documentary Evidence

The Task Force tried to locate corroborative evidence of the alleged Paris meetings through a variety of sources. The Task Force's investigation of the hotels in which the Paris meetings are alleged to have occurred produced no corroborative evidence.

a. The Hotel Ritz Paris

The Task Force staff met and interviewed staff of the Ritz Hotel Paris, which Ari Ben-Menashe said was the site of the "big conference". With the cooperation of the hotel staff, the Task Force staff made a survey of the premises which confirmed that the hotel does not have the conference facilities described by Ben-Menashe.[234] Large ballroom facilities on the first floor of the hotel are used only for public events. There are no conference facilities on this floor. The hotel suites are large enough to accommodate a meeting, but they do not fit Ben-Menashe's description of the room in which the meeting is alleged to have been held. The hotel has neither an elevator which can be locked off with a key nor a concierge elevator casting doubt on Ben-Menashe's description of how George Bush and William Casey arrived at the meeting.[235]

At the request of the Task Force staff, Ritz staff examined their computerized and manual records of customer attendance for the relevant time period. None of the individuals whose names were searched, all of whom were alleged to have attended the meeting,[236] were guests at the hotel during the month of October 1980.

b. The Hotel Raphael

The Task Force tried to conduct a similar investigation at the Hotel Raphael, alleged by others [237] to be the site of Paris meetings. By letter dated May 21, 1992, Alain Astier, general manager advised that the hotel would not be able to answer Task Force inquiries because of French privacy laws.[238]

c. Paris Hilton

The Paris Hilton advised the Task Force that it did not maintain records dating back to 1980.

d. Hotel Waldorf-Florida

The Hotel Waldorf-Florida refused to cooperate formally with the Task Force. On a visit to the hotel, however, the day manager advised a Task Force investigator that the Hotel maintained no records dating back to 1980.

5. Evidence Which Tends to Refute the Allegations—The Whereabouts of Principle Parties

Allegations of Paris meetings between representatives of the 1980 Reagan campaign and Iranian government officials to finalize a hostage deal are largely premised upon the stories told by individuals said to have personal knowledge of the alleged events or hearsay knowledge of accounts given by others. All of these accounts place the meetings in Paris during the period of October 15–20, 1980. Using documents and testimony, the Task Force was able, with a substantial degree of certainty, to reconstruct the whereabouts of the alleged key participants in the Paris meetings during the relevant time period. This reconstruction shows that it would have been impossible for William Casey, George Bush, and Cyrus Hashemi to have attended the alleged meetings.

a. The Whereabouts of William Casey

Documents and testimony obtained by the Task Force indicate that William Casey could not have been in Paris during the time period of October 15–20, 1980 when he is alleged to have participated in October Surprise meetings.[239]

Documents indicate that Casey was in the Washington, D.C. area on October 15. The Associated Press reported that, on October 15, Casey commented publicly that Reagan had agreed to a three-man debate.[240] In addition, the campaign headquarters visitor logs indicate that Casey's brother and sister-in-law visited

him at the headquarters in Arlington, Virginia at 7:30 p.m.[241] Lawrence Casey, William Casey's nephew, confirmed that his parents were visiting Washington, D.C. during part of that week and verified George and Rita Casey's signatures on the log.[242] Casey's credit card receipts indicate that he had drinks and dinner at the Jockey Club in downtown Washington that evening.[243]

Documentary evidence also indicates that on October 16, Casey was at the Arlington, Virginia headquarters during the day and traveled to New York in the evening. A campaign memorandum from Casey regarding a Carter proposal on windfall tax credits is dated October 16.[244] In addition, on the morning of October 16, Casey sent two Western Union telegrams, including one to the Carter campaign, regarding a proposed three-way debate between the presidential candidates.[245] According to the campaign visitor logs, Casey also received three visitors that day.[246]

Evidence also indicates that Casey attended the Al Smith dinner in New York on the evening of October 16. The Al Smith dinner is a major traditional political dinner which both President Carter and Governor Reagan attended in 1980. Two witnesses stated that Casey was present and that they had drinks with him at the Waldorf Astoria Hotel after the dinner.[247] Casey's personal calendar indicates that Casey planned to attend the dinner.[248] A letter from Casey dated October 16 to the Al Smith Foundation states, "I appreciate your arranging five seats for me at the dinner tonight and I enclose a contribution to the Alfred E. Smith Foundation."[249] In addition, records from the Alfred E. Smith Foundation show Casey seated on the dais.[250]

According to newspaper accounts, on Friday, October 17, Casey attended an early morning meeting with Governor Reagan and senior advisors at the Waldorf Hotel where the Al Smith dinner had been held the night before to discuss the proposed presidential debate.[251] A credit card receipt signed by William Casey indicates that he had dinner in Arlington, Virginia at the Lido di Venezia restaurant that evening.[252]

On October 18, 1980, the Reagan campaign headquarters visitors log indicates that Casey received a visitor at campaign headquarters at 9:50 a.m.[253] Another entry indicates that Casey's brother, George, and his wife, Rita, visited Casey at 11:50 a.m.[254] Larry Casey verified his parents' signatures on the campaign visitor logs and, although he could not specifically recall the date, believed they visited the headquarters on Saturday, October 18.[255] A final entry in the log indicates Casey himself entered the campaign headquarters at 11:30 p.m. and visited the "Ops" center for approximately twenty minutes.[256]

The Task Force received testimony that Casey was in the Washington, D.C. area on Sunday, October 19, 1980. Casey's nephew, Larry Casey told the Task Force about several meetings his uncle had with his parents who were visiting the Washington area from New York for the weekend to celebrate their 32nd wedding anniversary. He recalled that his father spoke with William Casey by telephone on the morning of Sunday, October 19, the last day of his parents' visit. Larry Casey remembered this call because his father and uncle engaged in what Larry felt was a heated conversation regarding a business deal. William Casey's personal records found by the Task Force at his New York home indicate that he did have business dealings with his brother, George. Larry Casey recalls that he also spoke with William Casey during that telephone call and based on the clarity of the connection believed it to be a local call.[257] In addition, Larry Casey recalled that his father and uncle discussed the possibility of meeting for brunch or lunch before his father left to drive back to New York.[258] The discussion of a midday meal suggests that William Casey was in the local area on Sunday.

The Task Force believes that Casey traveled from the Washington, D.C. area to Cincinnati, Ohio on the morning of Monday, October 20, 1980. Casey's calendar indicates an unidentified 8:00 a.m. appointment at the Metropolitan Club in Washington.[259] Because the Metropolitan Club routinely destroys outdated records, the Task Force was unable to verify this meeting.[260]

Casey's calendar also indicates an engagement at 10:00 a.m. in Cincinnati, Ohio on October 20, 1980.[261] The Task Force concluded that Casey traveled to Cincinnati to attend Governor Reagan's address to a conference of Catholic School Superintendents.[262] Casey's

driver testified that he recalled driving Casey only once to the tarmac at Dulles airport for Casey to join the campaign plane for a trip to Cincinnati.[263] The PBS television show, Frontline, included a photograph of Casey with Reagan in Cincinnati.[264] In addition, a memorandum that Casey wrote to Mike Deaver on October 21, states, "I talked to Howard Baker on the plane yesterday . . ." indicating that Casey did travel on the campaign plane with Reagan on the previous day, October 20.[265]

Casey's calendars also show several other meetings scheduled for that afternoon which the Task Force was unable to confirm. However, an American Express credit card receipt signed by William Casey and dated October 20, shows that Casey made a purchase at the King Dynasty/Sorabol Restaurant in Arlington, Virginia in the amount of $13.05, indicating that he had returned to the Washington area later that day. This is a restaurant located close to the Reagan-Bush campaign headquarters and frequented by the campaign staff.[266]

The Task Force could not determine the whereabouts of Casey for October 21, 1980. The page for October 21, 1980, is missing from the Casey desk calendar and could not be located by the Task Force. Casey's other calendar contained no entries for October 21.

The Task Force has determined that Casey was in the Washington area on October 22, 1980. The Reagan campaign headquarters visitor log shows that Casey received visitors at 2:30 p.m. and 3:35 p.m.[267] Casey's calendar also indicates a 7:30 p.m. meeting with Whitey Rogers, although no location was noted. Casey's "Monthly Minder" calendar contained no entries for October 22.

The Task Force believes that it is highly improbable that Casey could have been back in the Washington area by 2:30 p.m. on October 22 if he traveled to Paris for the multiple meetings alleged following his trip to Cincinnati. Moreover, the primary allegations of the Paris meetings do not include meetings after October 20, 1980.[268]

b. The whereabouts of Cyrus Hashemi

Electronic intercepts demonstrate conclusively that the allegations that Cyrus Hashemi attended meetings between Iranians and Reagan election campaign officials including William Casey in Paris, France, between October 18–20, 1980 are false. Based upon intercepted telephone calls in which Hashemi participated, the FBI surveillance shows that Hashemi did not leave the United States between October 14, 1980 and October 28, 1980. (See chart no. 2).

For example, an analysis of the intercepted telephone conversations during this relevant mid-October, 1980 time period show that Cyrus, while in the United States, was regularly discussing his attempts to inject himself into the hostage issue, keeping in touch with Admiral Madani, assisting in the financing of John Shaheen's refinery, trying to locate assets of the Shah, attempting to obtain military equipment and conducting personal business. For example, on October 18, 1980 at 4:44 p.m., Cyrus speaks with Stanley Pottinger about whether Cyrus ought to attempt to meet with Iranian Prime Minister Rajai in New York during the latter's United Nations visit. On October 19, at 4:31 p.m., Cyrus speaks with his brother, Reza, about the public status of the hostage issue. On October 20, shortly after noon, Cyrus tells his wife he is not sure whether or not he will be home for dinner. Shortly, before 7:00 p.m., Cyrus is speaking with a reporter regarding certain outstanding lawsuits. Similarly, earlier in the day, Cyrus speaks with an associate about trying to obtain arms for the Iranian Air Force and Navy. The telephone calls also are significant during this period in that Cyrus is not discussing on any conversation efforts to delay the hostage release as a result of any deal or understanding with Reagan-Bush campaign officials.

c. The Whereabouts of Donald Gregg

At his deposition, Ambassador Gregg strongly denied that he was in Paris during October, 1980. Both his recollection and contemporaneously made diary entries provided by him to the Task Force indicated that he was at Rehoboth Beach, Delaware on the weekend of October 17, 1980.[269] The diary entries reflected Ambassador Gregg's tennis and swimming activities with his family on that weekend.[270] Ambassador Gregg explained that he remembered the weekend well because his daughter, Lucy, had been married two weekends before on October 4 and, after a brief honeymoon, her husband had to return to his foreign service posting overseas. Ambassador Gregg also identified

photographs, dated as developed in October 1980, which he specifically recalled being taken during that weekend. Ambassador Gregg noted that in one of the pictures a wedding band was visible on his daughter's finger indicating that the photograph had to have been taken after October 4, 1980.

During the trial of Richard Brenneke, Ambassador Gregg was also asked about a dispute regarding the weather that weekend. He indicated that the weather was . . . . "mostly cloudy. It didn't rain, but it was not bright sunshine, but it was—there wasn't a lot of wind, and there was—it was warm enough so that I went in or I think we all went swimming." [271] He also indicated that the ocean water in October was actually quite warm, often warmer than the air temperature, and that the swimming was often comfortable.

The Task Force also deposed Margaret Gregg, Ambassador Gregg's wife. Mrs. Gregg also specifically recalled the beach weekend as being October 17–19, 1980. Her calendar for the year 1980 also showed a beach weekend on those dates.[272] She identified the photographs of her daughter, her husband and herself and generally corroborated Ambassador Gregg's testimony.[273]

Finally, the Task Force deposed Lucy Gregg Buckley who corroborated the recollections of her mother and father, specifically noting that this was the only weekend that fall she recalled going to the beach.[274] The Task Force found the testimony of Ambassador Gregg and his family to be credible, consistent and well corroborated by the documents they produced.

d. The Whereabouts of Robert Gates

During Robert Gates' 1991 confirmation hearings to be Director of Central Intelligence, Ari Ben-Menashe alleged to the Senate Select Committee on Intelligence that Robert Gates conspired with the Reagan-Bush campaign to delay release of the American hostages and was present at various meetings including those in Paris. Gates, under oath, denied the allegations.[275] The Committee later reported that investigations by the FBI and the CIA inspector general, including analyses of Gates' calendars and travel records, provided no credible evidence to confirm Ben-Menashe's allegations.[276] The Task Force is aware of no evidence to the contrary.

e. The Whereabouts of George Bush

Beginning on July 17, 1980, when George Bush was nominated to be vice-president at the Republican National Convention in Detroit, he received around-the-clock protection by the United States Secret Service.[277] Perhaps the most provocative part of the October Surprise hypothesis is the allegation that then Vice Presidential candidate George Bush attended a portion of the October 1980 Paris meetings. The Task Force investigated Bush's whereabouts during the period of the alleged meetings.

The Task Force conducted interviews and depositions with, and in some instances obtained sworn affidavits from U.S. Secret Service agents assigned to George and Barbara Bush's campaign security residence detail.[278] Information was obtained from the detail leader, deputy detail leader, shift leaders, and at least one line agent assigned to each shift. Few of these agents had any current recollections of specific events during the October 18–22, 1980, all of the agents clearly recalled that Bush did not engage in any foreign travel during this period.[279]

United States Senate Report at 104–105.

After substantial negotiation the Task Force was given access to original Secret Service shift reports in unredacted form. Counsel reviewed the original shift reports for October 19, 1980. Those shift reports appeared to be intact and without any visible alteration. These reports confirm Bush's continuous presence in the United States during the relevant time period.

Robert W. Keefe, Jr., chief of the Management Organization Division of the U.S. Secret Service, testified that he was custodian for records of the shift reports of the Bush protective details and found not only no unusual alterations or unusual entries on the documents, but also no indication of travel to France during the period of July 17, 1980 through November 4, 1980.[280]

Given the passage of 12 years and the hectic pace maintained by Secret Service agents on campaign, the Task Force did not find it surprising that virtually none of the Secret Service agents assigned to the Bush protective detail specifically recalled the events of October 18–22. One agent, Special Agent Tanis claimed to recall specifically that Bush went with his

wife to Chevy Chase Country Club for about an hour and a half on Sunday, October 19, 1980 to have lunch with Associate Supreme Court Justice Potter Stewart and his wife.[281] The Task Force also obtained access to a Secret Service site survey prepared in anticipation of Bush's October 19, 1980, luncheon.[282] This document supports the shift reports regarding Bush's whereabouts on October 19, 1980. However, while Tanis' recollection of George Bush's whereabouts is supported by the shift reports, he was in error regarding Barbara Bush having been present at the luncheon.[283]

Other agents interviewed or deposed recalled the intensity of 21-day campaign protective details. Each conceded that one event often merged into another. Each agreed, however, that anything out of the ordinary, in addition to being reflected in the shift reports, would have clearly stuck out in their minds. A foreign trip in the middle of one of the protective details would have been such an event. While the agents generally indicated that they did not recall the events of a specific day, each believed that he would have clearly remembered any foreign travel by candidate Bush occurred during his shift rotation, particularly travel to Paris, France. This is so both because of the incredible logistical burden it would have entailed for protection details to have travelled with him abroad and because any absence of the protected candidate would have been immediately noticed. No such trip was recalled by any of the agents. In the opinion of the Task Force, these records and testimony conclusively prove candidate George Bush's whereabouts in October, 1980. The Task Force has determined that Bush did not travel to Paris during the period of time in question as has been alleged by many October Surprise witnesses.

B. Ronald Reagan Statement

On June 15, 1991, former President Reagan was asked by reporters during a golf game about the October Surprise allegations and the suggestion that his 1980 campaign staff had acted to delay the release of the hostages:

> PRES. REAGAN: I did some things actually the other way, to try and be of help in getting those hostages—I felt very sorry for them—and getting them out of there. And this whole thing, that I was worried about that as a campaign thing, is absolute fiction. I did some things to try the other way.
>
> NARRATOR: When pressed to explain what he had done, Reagan suggested that there might have been some contacts.
>
> PRES. REAGAN: Every effort on my part was directed toward bringing them home.
>
> REPORTER: Does that mean contacts with the Iranian government?
>
> PRES. REAGAN: Not by me, no.
>
> REPORTER: By your campaign perhaps?
>
> PRES. REAGAN: Well, I can't get into details. Some of those things are still classified.[284]

For a number of months, the Task Force sought to interview former President Reagan about those statements and his knowledge of the allegations. On July 21, 1992 [285], the Task Force submitted certain relevant questions to former President Ronald Reagan through his counsel, Theodore B. Olsen. On October 23, 1992, Mr. Olsen responded to the Task Force by providing those answers in written form.[286] Through counsel, President Reagan decided to be interviewed. Following discussions between counsel for President Reagan and the Task Force, Mr. Olsen submitted President Reagan's responses to the Task Force's questions in sworn affidavit form.[287] The questions asked by the Task Force and the answers given under oath by President Reagan, are as follows:

> Question 1: What was former President Reagan referring to during the interview [reported on *Frontline* on April 7, 1992] when he said he "did some things actually the other way . . ." and "every effort on my part was directed towards bringing [the hostages] home."? What specifically did he do and what efforts were made by him or any other campaign officials to affect the release of the hostages?
>
> Answer 1: I believe that I and Reagan/Bush campaign officials made

it clear by our conduct and statements during the campaign that we were supportive of the Carter administration efforts to secure the release of American hostages held in Iran. For example, a statement was issued on September 13, 1980 supporting the terms for the release of the hostages then being reported by the press, stating that the hostages should "be released immediately upon conclusion of an agreement" promising not to"make [hostages] negotiations a partisan issue in the campaign;" pledging if elected, to "observe the terms of an agreement," and stating categorically that "there should be no delay in freeing the hostages with any thought by Iran that it might get better terms after the election in November."

I am not presently aware of any statement made during my candidacy by me, or by any campaign official, in public or private, to suggest any interest in becoming involved in negotiations respecting the release of the hostages during President Carter's tenure as President.

To the best of my knowledge, the campaign at all times made it clear that the holding of American hostages by Iran was intolerable and unacceptable and the hostages should be released.

To the best of my knowledge, at all times I and the campaign acted consistent with the time-honored principle that Americans speak only through their President in matters of foreign relations and national security. I believed that as long as President Carter was President, he was the only voice for American foreign policy.

Question 2: Was former President Reagan aware of any contacts with any representative of the Iranian government by anyone connected directly or indirectly with the Republican campaign or the Republican party from November 4, 1979 through January 21, 1981 with respect to affecting the status of the hostages?

Answer 2: I have no recollection of any such contacts.

Question 3: What was former President Reagan referring to when he indicated that some of the details were still "classified"? Is he aware of any documents or records of any sort, whether classified or not, regarding the matters under review by the Task Force? Does he recall any briefings he was given on the subject prior to his inauguration?

Answer 3: I cannot recall what I may have had in mind when I made this statement. However, the subject of the hostages and the Carter Administration efforts to secure the release of the hostages and the Carter Administration efforts to secure the release of the hostages was known to be sensitive, delicate and presumably subject to high levels of national security protection. I have always tried to be extremely careful not to make public statements on matters covered by sensitive national security classifications and to avoid discussing subjects that even inadvertently might result in disclosing classified material. I may simply have felt that this whole subject—negotiations concerning the hostages—was too sensitive to discuss further.

I am not aware of any documents or records pertinent to the Task Force's investigation. Some time ago I instructed the custodians of the Reagan Administration presidential records to search for any such records or documents and to make public any that were found. Apparently none were located that suggested in any fashion that campaign officials acted improperly relative to the hostages. I understand that the Task Force has been given broad access to those campaign records and has been given copies of documents it requested. I am not aware of any such documents that sug-

gested any improper conduct relative to the hostages by anyone in the campaign.

I do not have any recollection of any pre-inauguration briefings that would shed any further light on the subject of the Task Force investigation.

While it would have been preferrable if the Task Force had been able to interview President Reagan directly in an attempt to stimulate his recollections, we are satisfied that his sworn statement represents his best present recollection of activities undertaken by his 1980 campaign regarding the hostages.

C. Conclusion

The allegation that Reagan Presidential campaign personnel attempted to or did delay the release of the hostages has been at the heart of the October Surprise story. The alleged agreement to delay the release was supposed to have been consummated in Paris in October 1980. The Task Force focused substantial effort on this area and finds both the components and sum of the allegation to be lacking credible evidence. In almost all instances, the evidence clearly establishes the presence of major alleged participants in Paris meetings to be someplace else, doing something else. Further, evidence which by all logic would support the existence of such meetings, such as the Hashemi FISA or Rogovin diaries, proves the contrary. The credibility of those making the allegations has in most every instance been shown to border on non-existent, while those who deny the allegations often had documentary corroboration. In sum, the Task Force found that there is simply no credible evidence of any attempt or proposal to attempt to delay the release of the Americans held hostage in Iran by the 1980 Reagan Presidential campaign.

Endnotes

1. *See, e.g.*, G. Sick, *October Surprise* at 141.

2. *Id.* at 147.

3. B. Honegger, *October Surprise* at 87.

4. Ari Ben-Menashe Deposition (Aug. 4, 1992) at 58 (hereinafter "Ben-Menashe Dep.").

5. The Government of Israel provided the Task Force with Ben-Menashe's handwritten answers to a questionaire regarding Ben-Menashe's trips abroad as required by the External Relations Division where Ben-Menashe worked. The answers to the questionaire indicate that Ben-Menashe made no trips to Paris or elsewhere in the fall of 1980. It is also noteworthy that none of the other persons who claimed knowledge of the Paris meeting ever indicated that Ben-Menashe was seen at any time. GOI report at 74; *See* App. at 500-503.

6. Each of these individuals was interviewed by the Government of Israel at the behest of the Task Force. All denied having taken such a trip or any working relationship with Ben-Menashe. Messers. Eitan, Morieh and Kimche denied ever having met Ben-Menashe. GOI report. *See* App. at 535, 538, 531.

7. There is no record that either of these men stayed at the Ritz during this period according to the guest records from the Ritz. (Interview with Franco Mora, August 27, 1992.)

8. Ben-Menashe Dep. at 77.

9. *Id.* at 81.

10. *Id.* at 84. As discussed elsewhere, each man has categorically denied being present at such a meeting and has presented credible testimony and/or documentary evidence to establish that they were not in Paris.

11. *Id.* at 85.

12. Ben-Menashe Interview (Jun. 17, 1992) at 6. But note, in his deposition Ben-Menashe indicated that the meeting on the fourth day that took place at the Hotel Montaigne in Karrubi's hotel room and involved only Israelis. Ben Menashe Dep. at 171-172.

13. For a discussion of the Amsterdam meeting *see, supra,* section VII of this report.

14. Ben-Menashe Dep. at 94.

15. Earl Brian, a former Reagan California cabinet member, testified under oath before the U.S. Senate and denied both knowledge of an October Surprise and being in Paris in October of 1980. Earl J. Brian Dep. (July 28, 1982) at 12. He provided the United States Senate with passports indicating that he had no valid passport during October 1980. On July 29, 1992, Francisco J. Carmona of the United States Department of State Passport Agency, responded to a Task Force request and confirmed that their records showed no valid passport for Brian during October 1980. Francisco J. Carmona Interview (July 29, 1992).

16. Ben-Menashe Dep. at 92. The Task Force toured the Ritz hotel and there is no room or elevator remotely approximating that described by Ben-Menashe. No structural renovations have taken place since 1980 to account for this descrepency in Ben-Menashe's story.

17. Ben-Menashe was arrested in the Southern District of New York for attempting to sell three C-130 cargo planes to Iran in 1989.

18. *See* Letter from Lee W. Rawls to E. Lawrence Barcella, Jr., Dec. 30, 1992 (confirming Task Force interview).

19. Barry, "One Man, Many Tales," *Newsweek*, November 4, 1991.

20. See discussion of Secret Service records in section IV, *supra.*

21. Ben-Menashe Dep. at 181-182.

22. Franco Mora telephone interview (Sept. 30, 1992).

23. See *United States* v. *Heinrich Rupp,* No. 87-CR-112 (D. Colo. 1988).

24. At Rupp's sentencing, Brenneke testified as follows:

On the 19th of October, Mr. Rupp brought Mr. Bush, Mr. Casey, and a number of other people to Paris, France, from the United States, for a meeting with Iranian representatives . . .

I was involved in a meeting with I was involved at a meeting which involved Mr. Casey, specifically .

Here we're talking about William Casey, who later became the Director of the Central Intelligence Agency, sir

The meeting I was engaged in was held at the Hotel Florida, in Paris, France, on the 20th of October, 1980. Present were ac-

quaintances of mine from France, an individual by the name of Robert Benes .

Also present was Mr. Donald Gregg and he was at that time affiliated with the National Security Council.

See Indictment, *United States* v. *Richard Brenneke,* Crim. No. 89-CR-152 (D. Colo. May 12, 1989) at 9.

25. *See* Transcript, *United States* v. *Richard Brenneke,* Cr. No. 89-198 (D. Or. May 3, 1990) at 686-689, 734-735.

26. Contrary to rumor, the decision to charge Brenneke was not made by officials in Washington. The Assistant United States Attorney, who had prosecuted Rupp, pursued the case against Brenneke on his own initiative. Thomas O'Rourke Interview (Apr. 27, 1992).

27. Transcript, *United States* v. *Richard Brenneke,* CR No. 89-198 (D. Or. May 3, 1990) at 686.

28. Benes denied any participation in these meetings when interviewed by the Task Force. Robert Benes Interview (July 29, 1992) (hereinafter "Benes Int.").

29. *United States* v. *Richard Brenneke,* Crim. No. 89-CR-152 (D. Colo. 1989).

30. *Id.* at 686-689, 734-735. By the time of Brenneke's trial, censored Secret Service records began to cast doubt on allegations concerning Bush's presence in Paris, and evidence that Richard Allen had appeared on live television in the United States on October 19, 1980 had been reported.

31. Transcript, *United States* v. *Richard Brenneke,* CR No. 89-198 (D. Or. May 3, 1990) at 684.

32. General Accounting Office, Office of Special Investigations, report of Richard Brenneke interview (Sep. 25, 1990) at 1 (hereinafter "GAO report").

33. *Id.* at 3.

34. *Id.* at 3.

35. Documentary evidence reviewed by GAO included records of the Federal Aviation Administration and of a charter aircraft company alleged to have been invovled in the flight to Paris. None supported Brenneke's claims.

36. One witness, Heinrich Rupp, refused to cooperate with GAO. Assistant United States Attorney Thomas O'Rourke, by virtue of Department of Justice policy, was not available to be interviewed by GAO. Both, however, were deposed or interviewed by the Task Force.

37. Testimony of GAO General Counsel before the Committee on Rules of the U.S. House of Representatives (Nov. 7, 1991).

38. The Task Force has reviewed and utilized the relevant GAO reports of interviews, memoranda and investigative files.

39. Peggy Robohm Interview (March 17, 1991) at 2 (hereinafter "Robohm Int."); see Robohm App. at 55.

40. Documents signed by Richard J. Brenneke suring October 1980. *See* App. at 663-669

41. *See* App. at 665.

42. FBI Lab report (Dec. 23,1992). *See* App. at 670-671.

43. Richard Brenneke 1980 Day Planner. *See* App. at 672-676.

44. *Id.* Brenneke's credit card receipts also indicate that during 1980, Brenneke charged on his credit cards in the Pacific Northwest regularly without a lapse of more than a few days.

45. The Task Force conducted a very limited interview with Robert Benes in Paris. He essentially refused to speak with the Task Force. However, he indicated that he knew nothing of the meetings in Paris and was not himself involved and that it was all a lie. Benes Int. at 1.

46. *If It's October Then It's Time for an Iranian Conspiracy Theory,* Washington Post, (Oct. 9, 1988).

47. Transcript, Conversation between Richard Brenneke and Robert Benes (Oct. 13, 1988). *See* App. at 677-685.

48. *See* Snepp, *October Surprise,* Village Voice (Feb. 25, 1992).

49. CIA investigative file (Richard J. Brenneke).

50. *See* Transcript, *United States* v. *Heinrich Rupp,* No. 87-CR-112 (D. Colo. Sept. 23, 1988) (Brenneke testified that he was a CIA contractor for 18 years).

51. *Id.*

52. *Id.*

53. *Id.*

54. *Id.*

55. *Id.*

56. *See, e.g.,* Letters from Brenneke to Vice President Bush (Jan. 15, 1986). *See* App. at 686-687.

57. *See, e.g., Huge Illegal Deal on Arms for Iran Was Known to U.S.,* New York Times, Feb. 2, 1987.

58. Letter from ICDP President Robert White to ICDP Director Lindsay Mattison (June 10, 1988). *See* App. at 688-691.

59. Letter from ICDP Director Lindsay Mattison to Richard Brenneke (Aug. 1, 1988). *See* App. at 692.

60. Barbara Honegger Deposition (Dec. 17, 1992) at 133. (hereinafter "Honegger Dep.")

61. *Id.* at 134-135.

62. *Id.* at 135-136.

63. B. Honegger, *October Surprise* at 172-176.

64. *Id.* at 174.

65. *Id.* at 174.

66. B. Honegger, *October Surprise* at 67.

67. Although Honegger agressively reported information she received from Brenneke, she currently believes that he was untruthful. See B. Honegger, *October Surprise*; Honegger Dep. at 138, 141-142.

68. Task Force review of Richard Brenneke's personal documents; CIA investigative file (Richard Brenneke).

69. *Did Reagan Steal the 1980 Election?,* In These Times, June 4, 1987.

70. Letter from Richard Brenneke to Lindsay Mattison (Sept. 6, 1988). *See* App. at 693-696.

71. *Id.*

72. As discussed in this report, LeWinter has since told the Task Force that he fabricated all his October Surprise allegations. Based on LeWinter's revelation, the Task Force believes that LeWinter probably confirmed Brenneke's presence at the Paris meetings based on information he acquired from the media from Kilian.

73. *See United States* v. *Heinrich Rupp,* No. 87-CR-112 (D. Colo. Sept. 23, 1988) (statements of Rupp's counsel).

74. Richard Brenneke Deposition before Subcommittee on Terrorism, Narcotics and International Cooperation, United States Senate (Apr. 23, 1988) at 27, 38, 89-90 (describing his relationships with Ben-Menashe, Northrup, and Veillot).

75. *See, e.g.* Transcript, *United States* v. *Heinrich Rupp,* No. 87-CR-112; *United States* v. *Richard Brenneke,* No. 89-198.

76. Rupp was convicted of bank fraud. A new trial was granted and Rupp was convicted upon retrial.

77. Indictment, *United States* v. *Richard Brenneke,* No. 89-CR-152, (D. Colo. May 12, 1989).

78. GAO interview with Daniel Barrera (Sep. 25, 1992).

79. Rather than using his alleged sensitive information about the Paris meeting to negotiate a deal with the prosecutor prior to trial, Rupp did not disclose his alleged knowledge of a "Paris meeting" until after his trial at the 1988 sentencing hearing. Thomas O'Rourke Interview (Apr. 27, 1992).

80. Interestingly, Brenneke claims that the two met when they were both pilots for Air America in the 1950's—which, according to Brenneke's birthdate, would mean he was a pilot for Air America when he was 15 or 16 years old-while Rupp claims they met in the 1970s. Heinrich Rupp Deposition (October 8, 1992) at 73 (hereinafter "Rupp Dep.").

81. *Id.* at 55. GAO interview with Richard Brenneke.

82. Rupp Dep. at 17, 23-24.

83. *Id.* at 29-30.

84. *Id.* at 28, 33.

85. J. Persico, *Casey* at 78, 94, 104 (1990).

86. Rupp Dep. at 47.

87. *Id.* at 53.
88. *Id.* at 152.
89. *Id.* at 159.
90. *Id.* at 50.
91. *Id.* at 48-50.
92. *Id.* at 34, 51, 81.
93. *Id.* at 82.
94. *Id.* at 11.
95. This document bears the initials "RJB" and may have been created by Richard Brenneke who was given access to Rupp's papers while Rupp was in custody or by Rupp's counsel who was also counsel for Brenneke.
96. *Id.* at 165. See App. at 697-700.
97. Dennis Bowlin Interview (Nov. 25, 1992); Rupp Dep. at 117. *See* App. at 701.
98. B. Honegger, *October Surprise* at 63.
99. Coincidentally, Alto told the Task Force that Mr. Othman, the "O" of O & A, was a business partner of Adnan Kashoggi.
100. Joseph Alto Interview (Aug. 19, 1980) at 1 (hereinafter "Alto int.").
101. Although Rupp no longer has flight logs, a document of unknown origin exists which purports to be a recreation of Rupp's "aircraft logs from 16 June 1980 through March 1981." This document bears the initials "RJB" and was possibly created by Richard J. Brenneke or his former counsel, who is also Rupp's counsel. *See* Rupp Dep at 166.
102. Alto Int. at 1.
103. B. Honegger, *October Surprise* at 137.
104. FBI investigative files; United States Customs Service investigative files.
105.Cline is the father-in-law of 1980 Reagan-Bush campaign worker Stefan Halper.
106. FBI false claims investigative file (Mar. 4, 1992) summarizing Oct. 18, 1991 interview with Cline.
107. CIA investigative file (Heinrich Rupp).
108. Barbara Honegger writes in her book that "an intelligence source" has claimed that a drug used by the KGB to destroy memory was used on Mr. Rupp during that evaluation. B. Honegger, *October Surprise* at 64.
109. FBI false claims File 29A-DN-3836-42.
110. David Bryant Interview (Jul. 17, 1992); Robert Peck Interview (Aug. 10, 1992); H. Ross Perot Interview (Apr. 24, 1992). *See* D. *Rogers, Perot Sent A Team to Investigate Claims of Bush Role in 'October Surprise' Plot,* Wall Street Journal Apr. 14, 1992 at A-20.
111. Wilcher defended his failure to deliver the videotape by asserting that one of the United States Senate investigators assigned to pick up the videotape was actually an undercover CIA "plant."
112. FBI Report Oct. 10, 1991 Interview with Heinrich Rupp.
113. Oswald LeWinter Interview (Aug. 25, 1992) at 27 (hereinafter "LeWinter Int.").
114. Robert Ross, Robert Parry and Martin Killian were among the reporters contacted by "Mr. Racine".
115. B. Honegger, *October Surprise* at 78-86.
116. *Id.* at 2.
117. *Id.* at 2.
118. *Id.* at 2.
119. *Id.* at 2.
120. *Id.* at 3.
121. *Id.* at 3.
122. *Id.* at 4.
123. *Id.* at 5, 7.
124. *Id.* at 6-8.
125. *Id.* at 18.
126. *Id.* at 3, 9, 13.
127. *Id.* at 21.
128. *Id.* at 22.
129. *Id.* at 24.
130. Martin Kilian interview (Aug. 3, 1992) at 2 (hereinafter "Kilian Int.").
131. Kilian Int. at 2.
132. James Khan Deposition (Sep. 23, 1992) at 90-93, 126 (hereinafter "Khan Dep.").
133. *Nightline "Financial Times" Investigation: The October Surprise* (ABC Television broadcast Jun. 20, 1992) (transcript at 6).
134.* Khan Dep. at 91.
135. Memorandum from Gary Sick to E. Lawrence Barcella, Jr. (Dec. 19, 1992) at 3. *See* App. at 581-584.
136. *Id.*
137. *Id.*
138. G. Sick, *October Surprise* at 147.
139. *Id.* at 146-147.
140. FBI Electronic Surveillance (Oct. 14, 1980).
141. Rogovin Dep. at 49.
142. *Id.* at 37.
143. *Id.* at 41-42.
144. *Id.* at 43.
145. *Id.* at 45-46, 49.
146. *Id.* at 46.
147. *Id.* at 47.
148. *Id.* at 53-54.
149. *Id.* at 49.
150. *Id.* at 67-68.
151. *Id.* at 69.
152. *Id.* at 70.
153. William Herrmann was interviewed under oath on two occasions and deposed once under oath between April and November 1992.
154. William Herrmann Deposition (Nov. 10, 1992) at 5 (hereinafter "Herrmann Dep.").
155. *Id.* at 6.
156. IRDC was incorporated in Luxembourg. *Id.* at 7.
157. *Id.*
158. IRDC primarily shipped to police departments in Europe, the Middle East and the Far East. *Id.* at 9.
159. *Id.*
160. *Id.* at 10.
161. *Id.*
162. *Id.* at 12.
163. *Id.*
164. *Id.* at 14.
165. *Id.* at 15.
166. Herrmann indicated that the weapons were paid for through the Deutsche Bank in Bonn through the use of letters of credit. *Id.* at 17. Herrmann possesses no financial records of these transactions and referred counsel to Carlos Mugel in Brazil. Counsel had no success in obtaining these records.
167.*Id.* at 18.
168.Herrmann was forced out of the business by virtue of his arrest on counterfeiting charges in England.
169.*Id.* at 19.
170.*Id.* at 20.
171.*Id.* at 21.
172.Herrmann was asked the whereabouts of his passports from this time period and said that his wife destroyed the passports. *Id.* at 12, 119. He also indicated that he had none of the communications with Nagashian regarding this trip to Tehran.
173. Herrmann Dep. at 21-24.
174. *Id.* Herrmann also indicated that he believed Fred Ikle and George Bush were also likely attendees. *Id.* at 25-26; see also 133.
175. The Task Force interviewed this CIA agent. His testimony is discussed later in this section.
176. Herrmann Dep. at 60-62.
177. *Id.*

178. The CIA agent's identity is protected. He was interviewed on December 10, 1992 (hereinafter "CIA int.").

179. *Id.* at 1.

180. *Id.*

181. Nagashan was interviewed under oath in Frankfurt, Germany on Nov. 20, 1992.

182. Nagashan indicated that he did in fact travel with Herrmann to Brazil to buy pistols from Taurus and that Herrmann was paid a commission for brokering the deal. Thereafter, however, Nagashian indicated that all of his subsequent arms purchases from Taurus did not involve Herrmann. Hamid Nagashan Interview (Nov. 20, 1992) at 2-3 (hereinafter "Nagashan Int.").

183. *Id.* at 3.

184. *Id.* at 1. On a related matter, Nagashan reported that Ottershagen was arrested in Germany for attempting to use two stolen checks from Iran, one for $36 million bearing the forged signature of Nagashan. The checks were placed as an advance by Ottershagen to purchase items for a company, Heli Trader, in Frankfurt. The situation was litigated in Frankfurt courts.

185. Abol Hassan Bani-Sadr Deposition (Sep. 24, 1992) at 21 (hereinafter "Bani-Sadr Dep.").

186. See section V, supra, for a discussion of this meeting.

187. This position was undermined by the fact that Tabatabai never pursued the weapons issue throughout the course of his meetings with Warren Christopher.

188. Bani-Sadr was asked to respond to the fact that while Tabatabai was in Germany, Khomeini issued his four conditions for release yet no progress was made on the hostage negotiations because Khomeini seemed to have changed his mind. Bani-Sadr is asked:

Q: . . . what changed?

A: The most effective thing was Carter's message. So if I had known I wouldn't have told Khomeini that Carter had assured them there would be no defeat. It was this fact that completely changed Khomeini's way of acting.

Q: And so what you're saying is Khomeini is fearful that Iran is going to lose the war, and so he changes his mind and deals with Carter.

A: At the beginning he was completely sure that it was all over. When Bani-Sadr (Bani Sadr spoke in the third person) told him on September 22nd that you see—the invasion is completed—Khomeini's hands were trembling, he could not control them, because the military people were saying that they could not last for more than one week. So, he, Khomeini, thought that it was all over. Fortunately, the Iranians could reorganize their army to stop the invasion, and then there was this message from Carter assuring them that they would not be defeated.

Q: When was this message sent by Mr. Carter?

A: About October 8th or 10th.

Q: And it was sent from Mr. Carter to you?

A: It was sent to Mr. Bani-Sadr via the German ambassador—German or Swiss ambassador.

Q: Okay, and so you're saying that—so that caused Mr. Khomeini to change his mind a second time which was—he now thought that Iran would not lose the war.

A: Yeah he was sure there would be no defeat. Bani-Sadr Dep. at 22.

189.

Q: So, let me understand, you say that on October 22nd Raja'i and Rafsanjani both issue press statements saying no longer does Iran need American spare parts or weapons. You're saying in fact, that as Commander-in-Chief of the Armed Forces you needed weapons and that you, in your negotiations, with Carter's representatives were trying to obtain weapons. And so the announcement on the 22nd led you to conclude that they must have been another arrangement made otherwise they would never have made an announcement like that? Is that right?

A: This meant for us that an agreement had been concluded between the Mullahs and Reagan's people. Actually Mr. Bani-Sadr said it himself at the time in his black notes that they made an agreement so that Mr. Carter should be defeated and Mr. Reagan should become President. And the most important thing that Mr. Bani-Sadr said was what Mr. Rafsanjani himself said vaguely. He said the day of the American elections in the Iranian Parliament, "in the future we'll see that we make Mr. Reagan President of the United States."

Q: Now I understand that you've come to the conclusion that Raja'i and Rafsanjani would never have made their October 22nd statements if there were no deal for weapons made.

A: Absolutely.

* * *

A: We knew that a deal had been made. These interviews had been prepared before hand. They both gave the interviews the very same day. So that gave them the date. It made them understand that on that day, by that date, the thing had been done because they wouldn't have made such a statement.

Q: Now at the time .

A: We were at war and everybody in the world, everybody knew that Iran did not have the necessary weapons. So wisdom would have required them not to say anything, I think. If they said such a thing it simply meant Mr. Carter you are finished, the hostages will not be freed while you are President. Bani-Sadr Dep. at 26-27.

190. Cheron was interviewed preliminarily on June 3, 1992 and deposed under oath on Sep. 25, 1992 and Nov. 19, 1992.

191. Christian Bourget was preliminarily interviewed on Jun. 3, 1992 in Paris, France and under oath on Sep. 22, 1992.

192. Francois Cheron Interview (Sep. 25, 1992) at 12 (hereinafter "Cheron Int.").

193. *Id.*

194. *Id.* at 17-18.

195. The significance of this was explained by Cheron:

Q: Okay, so now tell us what to you the significance of the presence of French intelligence in the deal means . what, how does that lead you to your opinion?

A: In my opinion?

Q: Yes.

A: That for me, I think that the French officer from the French intelligence would not appear in a deals, in deal with arms for Iran, uh, with no agreement of our government. And it seems impossible for me that the French government at this moment could let some French officers have a participation in such deals, with not informing the American government due to the general situation, the relationship between France and the United States with regard to the hostage issue, general.

Q: No, no I understand. I can accept that. But what causes me some confusion is that of course the American government at the time was the government of President Carter . . .

A: Exactly.

Q: So, how would this relate to Republican activities because if the French government was going to make an inquiry, they would make it of the Carter administration.

A: Exactly. Yes, you are right, but difficult to tell it in another language . . .

Q: Well, if you'd like for, you can . . tell . .

A: No, what I want to tell you is, you know what the intelligence service are, they are official activities and unofficial activities. The relationship they have with the official of another country and unofficial people of the same country, and you know, it seems to me that Mr. Bush was previously the big boss of the CIA, you know DeMarenches and he wrote a book about it, had some close association with the CIA which is about it, had some close association with the CIA which is normal. I mean the normal way of working for these people, and it seems for me impossible that such a deal at this period just before the vote could

be made with no information of people like Mr. Bush, at least, and CIA.

Q: So, I guess what you're saying then is . .

A: And, I think that CIA, maybe I'm wrong, but, had an important role in this, in all these negotiations ya know.

Cheron Int. at 20-21.

196. *Id.* at 23.

197. *Id.* at 24.

198. Christian Bourget Deposition (Sep. 22, 1992) at 27 (hereinafter "Bourget Dep.").

199. *Id.* at 28.

200. *Id.* at 29-30.

201. To the extent it can be argued that the need for arms tips the scales in favor of the conclusion that a deal was made, the absence of credible evidence that arms flowed as a product of a *quid pro quo* for a delayed hostage release undermines that position.

202. As to Tabatabai's role as a double agent, there is no credible evidence to support this opinion.

203. Nicholas Ignatiew Interview (Jun. 2, 1992) at 1 (hereinafter "Ignatiew Int.")

204. *Id.*

205. *Id.*

206. *Id.* at 2.

207. *Id.* at 2.

208. *Id.*

209. Ahmed Salamatian Interview (Sep. 22, 1992) at 2 (hereinafter "Salamatian Int.")

210. Salamatian knew nothing of the specifics of any July or August Madrid meetings or an October Paris meeting. He readily admitted to having no hard evidence of a deal. His beliefs were based on his analysis of the internal politics of Iran as a member of the Majles entrusted with resolving the matter of the hostage crisis.

211. *Id.* at 5.

212. *Id.* at 1.

213. *Id.*

214. *Id.*

215. *Id.* at 6.

216. *Id.*

217. For example, on November 2, 1980 Mohammed Khza'i stated:

Today our society is faced with a number of questions: Why the Majles delayed and carelessly deferred the matter to reach two days left to Mr. Carter's election. Now, the opposition elements and even foreign radios to which I have paid a close attention in the past few days and in particular Voice of America, a name which should not be mentioned in this holy place, was quoting one of the former personalities of Iran that Iran prefers Carter to Reagan. In response to all of the world mass media organs which are reporting the course of the debates of this House verbatim to the world, and to all the domestic groups and parties which are blasting this House which is a body created by the Islamic Revolution of Iran that the delay in investigating the hostage issue was only due to the common practice of the House affairs and nothing else. It was only because the House was following its regular course of procedure. I declare this unequivocally to the entire world which I know I am reflecting your interpretation by others, that so far as Iran and the representatives of the Iranian people are concerned there is no difference between Carter and Reagan.

The Nov. 2, 1980, debate is replete with similar statements.

218. For example, Salamatian showed Task Force counsel a transcript of the 55th Session of Parliament (Majles) dated October 21, 1980. According to Salamatian, this document references the continuation of a discussion about the seven-man commission. Barghini, Deputy of the Majority in Parliament states "
we start to talk about the release of the hostages, this is contrary to people who say we should start to talk. This is not true. Khomeini has ordered us to start to discuss it before the Iraq war.
"

Salamatian explained that there had been a previous discussion within Parliament to select a seven-man commission to negotiate the release terms for the hostages. He pointed out that it is necessary to negotiate with the United States to release the hostages. However, Rafsanjani said that no one can talk to anyone in the United States. Salamatian asked, why nominate a commission if they have no authority to negotiate with the United States? Without any proof, Salamatian opined that some people in Parliament did not want to resolve the hostage crisis for their own purpose without Khomeini's knowledge. Salamatian believes that the purpose of setting up the commission was to delay the release of the hostages pursuant to the side deal with the Republicans. The document simply does not support this analysis on its own.

Salamatian also pointed out that some members of the commission are now in prominent positions within the Iranian government. Ali Khomeini is the Spiritual leader. Mohammed Yazdi is the head of the Department of Justice, Paravarsh is the Vice President of the Parliament and Naterghneri Noori is President of the Parliament. This, too, is after-the-fact evidence of the deal, *i.e.* payoff.

Salamatian continued to explain that two weeks later the commission reported that the hostages should be released and set the same conditions previously set by Khomeini. After the report of the commission there was still more delay until November 10, 1980 when the Parliament agreed with the commission to release the hostages. It is the opinion of Salamatian that all of these delays could not be a coincidence. He believes, therefore, that a deal was made with the Republicans.

Similarly, Salamatian reviewed with Task Force counsel the minutes of the 63rd Session of Parliament dated November 2, 1980. Salamatian advised that during this session of Parliament the hostage situation is discussed seriously. He states that the deputies are very conscious about the date and have decided to favor Reagan. He pointed out portions of the text in which some speakers do say that they favor Reagan. From this he concluded that a deal was made. What is unreasonable about this conclusion is that the other speakers indicated a preference for Carter. For example, Mr. Montazeri stated:

"I have said this and I have written this almost eleven months ago that there are two ruling groups in the U.S.: one is the Republican Party, and the zionists and the other is Carter, Vance and others. This has been a topic of discussion since four and a half years ago. They have created an atmosphere under which one cannot say what he understands and wants to say. This is not right. Therefore, there are different conditions dominating the U.S. society all of which are imperialistic in nature but in two different parties; both are fascists and bad, but we have more fascist and worse. I believe the zionists, Republicans, Reagan, Brzezinski, Rockefeller and Kissinger are worse and more fascist."

As indicated above, Task Force counsel reads these passages as evidence of the differences of opinion that existed within the Majles as to how and when to resolve the hostage crisis and not, as Salamatian believes, evidence of a previously completed secret deal to delay the hostage release date.

219. A. de Marenches and D. Andelman, *The Fourth World War,* William Morrow and Company 1992.

220. Andelman was deposed on December 18, 1992.

221. David Andelman Deposition (Dec. 18, 1992) at 9, 11, and 48 (hereinafter "Andelman Dep.").

222. *Id.* at 11.

223. *Id.* at 10, 12-13, 49.

224. *Id.* at 15-17.

225. *Id.* at 16. Andelman also commented that, in any event, he had no knowledge of his own that the meetings actually happened. *Id.* at 22.

226. *Id. at 19.*

227. *Id.* at 36, 58.

228. *Id.* at 36.

229. Alexander de Marenches Interview (Sep. 15, 1992) at 1. (hereinafter "De Marenches Int."). The Task Force diligently tried to reach de Marenches after the Andelman interview with no success.

230. De Marenches stated that there could have been a low level meeting in Paris between Americans and Iranians without him having known it. He said, however, that if a high-level meeting involving Bill Casey or others of comparable importance occurred in Paris, he would have known about it. De Marenches Int. at 1.

231. De Marenches noted that he knew Bill Casey prior to 1980 but that they really did not become friends until Casey's appointment as Director of the CIA. In regard to this point, the Task Force has received conflicting information. Other Casey associates, such as Albert Jolis, have advised that Casey and de Marenches were closer friends in the pre-1980 time period than de Marenches admitted. Albert Jolis Deposition (Oct. 20, 1992) at 13.

232. The alleged arms deals are dealt with in greater detail in section X, *infra.*

233. De Marenches Int. at 1.

234. Ben-Menashe Dep. at 92.

235. *Id.*

236. Name searches were conducted for William Casey, John Shaheen, Robert Gray, Cyrus Hashemi, Jamshid Hashemi, Medhi Karrubi, Hassan Karrubi and Ayatollah Beheshti. It is understood by the Task Force that if alias names were used these names would not have been discovered. No one interviewed by the Task Force ever alleged that alias names were used. Additionally, the hotel computer system, adopted in 1982, periodically dropped the names of quests who did not repeat within two years.

237. Claude Angeli Interview (Aug. 27, 1992) at 3 (hereinafter "Angeli Int.").

238. Letter from Alain Astier to the Task Force (May 21, 1992). *See* App. at 770.

239. *See* App. at 386-389 (Calendar of Casey's whereabouts for July, August, September and October 1980) (hereinafter "Casey Calendar").

240. D. Espo, Associated Press (Oct. 15, 1980).

241. Reagan campaign visitor logs (Oct. 15, 1980). *See* App. at 702.

242. Lawrence Casey Deposition (Aug. 20, 1992) at 11 (hereinafter "L. Casey Dep."). George Casey is deceased.

243. American Express Receipts (Oct. 15, 1980). *See* App. at 703.

244. Memorandum from William Casey to Ed Meese, Elizabeth Dole, Bob Garrick (Oct. 16, 1980). *See* App. at 704.

245. Telegrams from William Casey to Robert Strauss (Oct. 16, 1980); Telegram from William Casey to William Bodine (Oct. 16, 1980). *See* App. at 705–707.

246. Reagan campaign visitor logs (Oct. 16, 1980). *See* App. 708–710.

247. Richard Wirthlin Deposition (Oct. 26, 1992) at 95; Peter Dailey Interview (Sept. 29, 1992) at 2.

248. Casey Calendar (Oct. 16, 1980). *See* App. at 711.

249. Letter from William Casey to Monsignor Ruvo (Oct. 16, 1980). *See* App. at 712.

250. Alfred E. Smith Memorial Foundation Dais List 1980. *See* App. at 713.

251. *Reagan, in Shift, Agrees to Debate,* New York Times, Oct. 18, 1980.

252. American Express receipt (Oct. 17, 1980). *See* App. at 714.

253. Reagan campaign visitor logs (Oct. 18, 1980). *See* App. at 715–727.

254. *Id.*

255. L. Casey Dep. at 15–17.

256. *Id.*

257. *Id.* at 21–25.

258. *Id.* Larry Casey also told the Task Force that in his meetings with him and his parents during their visit to the Washington area, his uncle never mentioned an upcoming trip to Paris. *Id.* at 15–16.

259. William J. Casey 1980 Monthly Minder Calendar dated (Oct. 20, 1980). *See* App. at 730.

260. Letter from Metropolitan Club president J.L. Holloway (July 28, 1992); Oral response of Metropolitan Club general manager E. Guenther Skole (July 29, 1992). *See* App. at 730.

261. Casey Calendar (Oct. 20, 1980). *See* App. at 728.

262. Campaign calendar (Oct. 20, 1980). *See* App. at 729.

263. Christopher J. Wydler Deposition (Jun. 4, 1992).

264. *Investigating the October Surprise Frontline,* PBS television broadcast (Apr. 7, 1992).

265 Memorandum from Bill Casey to Mike Deaver (Oct. 21, 1980). *See* App. at 731.

266. American Express receipt (Oct. 20, 1980). *See* App. at 732.

267. Reagan campaign visitor logs (Oct. 22, 1980) *See* App. 733–734.

268. *See, e.g.,* G. Sick, *October Surprise* at 154–155 ("[O]ne fundamental question looms above all others: Did William Casey, without the knowledge of the U.S. government, travel to Paris during the period of October 15–20, 1980, and there meet with Iranian and Israeli representatives to arrange the release of the U.S. hostages to the Reagan-Bush forces in return for promises of military equipment? The answer, it appears is yes. Everything else is of secondary importance.").

269. *See* App. at 735.

270. Donald Gregg Deposition (Oct. 21, 1992) at 6 (hereinafter "Gregg Dep.").

271. *Id.* at 8.

272. Margaret Gregg Deposition (Sep. 17, 1992) at 4 (hereinafter "M. Gregg Dep.").

273. *Id.* at 18.

274. Lucy Gregg Buckley Deposition (Sep. 17, 1992) at 9.

275. Nomination of Robert M. Gates, Hearings Before the Select Committee on Intelligence of the U.S. Senate, 102nd Congress, 1st Session, at 489 (Sept. 16–20, 1991).

276. United States Senate, Select Committee on Intelligence, *Report: Nomination of Robert M. Gates to be Director of Central Intelligence,* 102d Congress, 1st Session, Exec. Report 102–19, at 185–6 (1991).

277. Leonard J. Tanis Senate Deposition (Jun. 30, 1992).

278. During the 1980 campaign, the Bush protective detail consisted of two groups of Special Agents that rotated for a tour of duty every 21 days. These details continued until shortly after the election in November, when another group of agents assumed the task of protecting the Vice-President-elect. The first detail was headed by Detail Leader William Hudson and Assistant Detail Leader Leonard J. Tanis.

The day was divided into three eight-hour shifts and each shift had its own agents and a "Shift Leader". Either Hudson or Tanis accompanied Bush whenever he left his residence. Tanis testified that he and Hudson rode in the limousine with the candidate and were in very close proximity to him at all times. While the candidate was in his residence at night, agents were posted outside to monitor comings and goings. Thus, the candidate was under surveillance at all times. Tanis was tasked with reviewing "shift reports" prepared by the three shift leaders. These reports provided a detailed account of Bush's daily activities. Tanis initialed each report that he reviewed. Hudson and Tanis both worked the protective detail that began its last rotation on about October 13 or 14, 1980. During this 21-day period, Bush made as many as 6 to 7 stops per day at different cities throughout the United States. United States Senate Report at 104–105.

279. *See* sworn affidavits of U.S. Secret Service Special Agents Charles Korff, Kevin Foley, Dennis Cropper, William Hudson,

Gail Linkins, Michael Cleary; *see also* sworn affidavits of U.S. Secret Service Special Agents Robert Sowers and Neil Goodman; Special Agent J. Benny Crosby Senate Deposition (Jun. 30, 1992). *See* App. at 736–744.

280. Robert W. Keefe, Jr. Senate Deposition (Jun. 30, 1992) at 8–9.

281. Leonard J. Tanis Interview (May 28, 1992) at 1 (hereinafter "Tanis Int.").

282. *See* App. at 1036.

283. Tanis Int. at 10. Mrs. Bush actually was jogging along the Chesapeake and Ohio Canal in Georgetown. *See* App. at 1036a–1036b (U.S. Secret Service shift report for Barbara Bush detail, Oct. 19, 1980) and GAO report. In his sworn testimony before the U.S. Senate, Tanis noted the inconsistences and said "I just remembered the four of them having lunch. Evidently, I've either mixed up the date or something." Tanis Int. at 11.

284. *Frontline: Investigating the October Surprise* (PBS Television broadcast, Apr. 7, 1992) (transcript at 1).

285. Letter from E. Lawrence Barcella, Jr. to Theodore B. Olsen (July 21, 1992). *See* App. at 745–755.

286. Letter of Theodore B. Olsen to E. Lawrence Barcella, Jr. (Oct. 23, 1992). *See* App. at 756–763.

287. Letter from Theodore B. Olsen to E. Lawrence Barcella, Jr. (Dec. 17, 1992) (with attachment). *See* App. at 764–769.

IX. Investigation of any Activity by the 1980 Reagan Presidential Campaign to Acquire or Disseminate any Information Relating to the Actions Being Taken or Considered by the United States Government To Obtain the Release of the Hostages

> H. Res. 258 Section 1(c): Any activity by the 1980 Reagan Presidential Campaign to acquire or disseminate any information relating to the actions being taken or considered by the United States Government in an effort to obtain the release of the Americans being held as hostages in Iran.

The third component of the Task Force's mandate requires investigation of "[a]ny activity by the 1980 Reagan Presidential Campaign to acquire or disseminate any information relating to actions being taken or considered by the United States Government in an effort to obtain the release of the Americans being held as hostages in Iran." In an effort to fulfill this mandate, the Task Force interviewed and/or deposed several members of the 1980 Reagan campaign, and conducted an extensive review of several thousand Reagan campaign documents located at the Reagan Presidential Library in Simi Valley, California. The Task Force also reviewed information available from several public sources, including the Albosta Subcommittee report and affidavits and various public news sources.[1]

While the Task Force found that there is evidence that the Reagan campaign acquired and disseminated information relating to actions being taken or considered by the United States government in an effort to obtain the release of the Americans being held as hostages, the Task Force has found no evidence that the Reagan campaign illegally either sought or disseminated classified information. Additionally, the Task Force concluded that none of the information received or disseminated by the Reagan campaign was acquired or passed on for the overt purpose of undermining the Carter administration's handling of the hostage crisis.

A. Background

The Republican Party nominated former California Governor Ronald Reagan as its presidential candidate on July 18, 1980. The Reagan campaign was headed by William Casey, the campaign director, who supervised seven deputy campaign directors: Edwin Meese, III, chief of staff; Peter Dailey, Deputy Director for Media; Drew Lewis, Deputy Chairman, Republican National Committee; Lyn Nofziger, Deputy Director for Press; Verne Orr, Deputy

Director for Administration; William Timmons, Deputy Director for Campaign Operations; and Richard Wirthlin, Deputy Director for Strategy and Planning. Several other campaign staff members played important roles in the campaign's foreign affairs strategy, including the campaign's position on the hostage crisis. These members include Richard Allen, the chief foreign policy advisor, Charles Kupperman, a foreign affairs advisor who worked primarily with Allen, and William Van Cleave, a senior policy advisor who also worked with Allen.

Among the areas of major emphasis in the Reagan campaign were national security, national defense and the foreign policy leadership role of the United States. The Reagan campaign was aware of the effect that the hostage crisis had on the perception of the Carter administration, both diplomatically and militarily. Along with defining a wide variety of domestic and international issues, the Reagan campaign also considered the possibility that the Carter administration could use the power of its incumbency late in the election race to reflect favorably on the Carter administration and sway the election.

Richard Allen, chief foreign policy adviser to the Reagan campaign, stated that the late-developing issue could have involved anything within the reach of the present administration, from an announcement on the MX missile system or a breakthrough in stealth technology to a "meteorite striking the White House" or the release of the American hostages being held in Iran.[2] The possibility that Carter might attempt to use his executive powers to affect domestic or international events right before the election and thus manipulate popular opinion became known in the Reagan campaign as the "October Surprise."

The concept of concern over a possible election-eve policy advancement was not unique to the 1980 Presidential election.[3] In recent American elections, presidential campaigns have held watch over a wide range of issues that had the potential to cause a unpredicted swing in voter attitudes in the late period of a campaign. This concern has appeared in several elections, such as John Kennedy's concern that Richard Nixon would attempt to persuade Dwight Eisenhower to take a military action against Cuba in October, 1960; or the political crisis of the Hungarian Revolution and the Suez Canal that erupted in October, 1956, thus assisting Eisenhower to a landslide victory; or the concern that Johnson might reach a pre-election settlement at the Vietnam War peace talks to help Hubert Humphrey win the 1968 election.[4]

The historical precedent from other elections gave the Reagan campaign reason to believe several political commentators who alleged that President Carter had manipulated the hostage crisis for political gain. These allegations first arose in the 1980 Democratic Presidential primaries, where several political commentators wrote that Carter allegedly made statements of positive developments in the hostage situation timed to affect primary elections.[5] The most frequently cited example was the Wisconsin primary on April 1, 1980.[6]

On the morning of the Wisconsin primary, Carter appeared on the morning news shows to announce a "positive step" in the hostage crisis.[7] Later that day, Carter defeated Kennedy in the Wisconsin primary, but the situation of the hostages remained unchanged.[8]

The Republicans were aware of and shared the commentators' perception of Carter's hostage announcement before the Wisconsin primary.[9] Indeed, they considered a variety of options to reduce the potential impact that similar events in any of a number of areas could have during the last month of the presidential campaign, and thus reduce Carter's potential to create an "October Surprise".[10]

To guard against a possible October Surprise, the Reagan campaign took a two-prong approach. The first was to monitor public information channels in an effort to identify and anticipate areas where Carter might make a political decision or action to affect the election.[11] The second involved an effort to inoculate the public against the possibility of politically-motivated decisions, including an effort to familiarize the public with the idea that a last-minute political maneuver could be expected.[12] As part of this approach, the Reagan campaign also conducted analysis of its possible responses to various scenarios which might develop.

Nothing about these activities, by themselves, is improper. As the Albosta Report noted, "[a]ny presidential campaign organization, if it intends to succeed, will gather information about its political opponents and use that infor-

mation to further the goals of its candidate. There is nothing improper in such activities, so long as the information gathering techniques used do not involve unethical or illegal conduct." [13]

The activities of the Reagan campaign, the allegations regarding specific instances of improper conduct, and the findings of the Task Force are more fully set forth below.

B. Reagan Campaign Activities To Acquire Information About the Hostage Crisis

As the Albosta Report recognized, a successful presidential campaign will gather information about its political opponents and use that information to further the goals of its candidate. In addition, it is a political reality that supporters may approach a campaign with unsolicited advice, rumors and information in an effort to assist the campaign.[14]

The Reagan campaign, in fact, actively monitored public information concerning the hostage crisis. In addition to this monitoring, several senior members of the Reagan campaign were prominent in the Washington foreign policy community, and maintained those contacts during the campaign.[15]

Several members of the Reagan campaign also had formal contact with members of the Carter Administration and the United States government. For example, Richard Allen had contact with Brzezinski, Muskie, Warren Christopher and Harold Saunders during the campaign.[16] William Van Cleave stated that he had official contact with David Aaron and an NSC staff member, Jasper Welch, during the campaign.[17] Charles Kupperman stated that "there were people in the administration who furnished their friends on the Hill with information that probably got passed onto the campaign as well." [18] Van Cleave stated that people at the Pentagon wished the Reagan campaign well and were willing to provide assistance.[19] Allen, Van Cleave and Kupperman each stated, however, that they had no knowledge of the Reagan campaign being supplied classified material or being furnished any information illegally.[20] As Kupperman said, the Reagan campaign received very good information from the public domain, and "didn't have any 'deep throats' feeding us information on what was going on with the hostages in Iran." [21]

The Reagan campaign also had informal contacts with Iranians in the United States.[22] Ikle stated that he was approached by Iranians in Washington who thought that they could be "helpful", claiming that "we can do something, find out what is happening, get the hostage out after Reagan is elected, whatever." [23] Ikle said that he paid little attention to these statements because the claims "seemed to me most like garbage" that the campaign "did not want to touch." [24] Ikle stated that the campaign did not have any formal meetings with Iranians, but that "there may have been meetings in Dick Allen's office with some American Iranians or an Iranian walked in." [25]

1. The Campaign Operations Center

The efforts to monitor public information commenced in early September at the Reagan-Bush campaign headquarters in Arlington, Virginia. The campaign established an "operations center" that monitored the three major television networks twenty-four hours a day and reviewed several newspapers (such as the Washington Post and the New York Times) and wire news services (such as Associated Press, United Press International and Reuters).[26] The operations center attempted to provide the campaign with the same flow of information from public sources that was available to the White House.[27] The operations center prepared a daily summary of the news, and a member of the operations center staff gave a daily morning briefing open to all members of the campaign staff.[28] The operations center staff also kept track of the whereabouts of campaign officials and maintained a log book of the operations center activity.

Based on the statements of several Reagan campaign members during the Albosta subcommittee investigation that the campaign maintained an "intelligence operation" to gather information during the campaign, the allegation has been made that the operations center improperly gathered non-public information from inside the Carter administration.[29]

The individuals staffing the operations center, however, stated that they relied upon

material from public sources to conduct their analysis, and did not actively seek information from sources within the United States government or Carter administration.[30] In the Albosta Report, the four watch officers and the head of the operations center denied seeing any classified information from the Carter administration.[31] These individuals also stated that they neither participated in nor knew about any covert "intelligence operation" for the Reagan campaign.[32] The Task Force received similar testimony.[33]

In sum, the Task Force has found no evidence to suggest that the Reagan campaign engaged in any illegal conduct through the operations center.

2. Robert Garrick's Monitoring Activities

As the campaign entered the final month and the Iranians waged a bitter war with Iraq, speculation ran high of a possible exchange of United States spare parts for the hostages. As early as September 24, two days after the first major advance by Iraqi forces against Iran, reporters asked Carter about whether an exchange could be arranged of spare parts for the hostages, to which he responded, "[w]e're consulting through other means with Iran, as we have been for many months, about a safe release of the hostages, but that particular point would perhaps be better for me not to single out among the others." [34]

The speculation in the press continued throughout the final month of the election that a deal exchanging spare parts for hostages was impending, and that the Carter administration was seeking such an agreement before the November 4 election.[35]

Robert Garrick, the campaign's director of operations and research, testified to the Task Force that he became aware through reports in the Washington Post that large amounts of military spare parts ordered and paid for by the shah were sitting in "piles" at American air force bases.[36] Garrick also testified that "[s]omeplace along the line the concept was developed that the Iranians may be dealing with Carter's people to say, 'Give us this pile of stuff and we'll give you the hostages.' " [37] Garrick engaged a number of retired military reserve officers to observe on a periodic basis several air bases for activity indicating movement of the spare parts and possible preparation for a second rescue mission.

Garrick's version of this activity was corroborated by several other members of the Reagan campaign.[38] The Reagan campaign received no information concerning the movement of spare parts as a result of this activity, nor did it receive any other classified information from Garrick's observation.[39] While Reagan campaign officials would listen to information from Garrick about this project, the project was not perceived to be a serious effort.[40]

In addition to the observation of air bases, Garrick also prepared a memorandum to Ed Meese, dated October 26, 1980, concerning a list of "aircraft parts" that Iran had paid for.[41] The cover memo stated that "[t]his is from the 'aircraft parts' package. This is public record and can be used as we see fit. Iran has paid for all this stuff—they hold title." The attached memorandum included a list of over $250 million in material titled to Iran that could be shipped by the Carter administration on short notice. Garrick testified that he asked a campaign staff member to prepare the list from the Congressional public records on approved military transfers to Iran.[42]

Based upon these facts, the Task Force concludes that the efforts by the Reagan campaign to monitor the movement of spare parts or determine the scope of the spare parts available was not illegal.

Garrick's files also contained information concerning other hostage-related activity. On October 24, 1980, Edwin Meese sent a memorandum stating that Garrick "is assigned special responsibility for coordinating Campaign Headquarters activities relating to our response to the hostage situation." [43] The recipients of this memo have recalled that the purpose of this memo was to allow Garrick to devote his attention to monitoring the flood of public material appearing on the hostage crisis in the last days of the election.[44] Although unsure of the exact nature of Garrick's assignment, Halper stated that the memos about the special assignment were intended to allow Garrick to pay closer attention to the news services and newspapers for any news of a development in the hostage crisis.[45] Halper stated that he thought Garrick probably was to be the contact person for any

new information on the hostage issue, and probably was responsible to convey that information to the appropriate staff members.[46]

The day before, on October 23, 1980, Garrick had prepared a memorandum to Ed Meese reporting that Bill Casey had asked him to prepare a list of the hostages.[47] The Reagan campaign files also contain a memorandum to Garrick from another campaign official, dated October 27, 1980, listing the names of certain hostage family members and their political affiliations.[48] Another memorandum, dated October 27, 1980, reported on the efforts of a town clerk in Massachusetts who was trying to arrange for voter materials and absentee ballots to be sent to the hostages.[49] One copy of this document has a header indicating that the memo was from Garrick, while another indicates that it is from Ed Gray to Casey.[50] Neither Garrick nor Meese could recall the reason that these memos were prepared.[51] The information concerning the hostages, however, was repeatedly listed in public source material available during the fall of 1980.[52]

The Task Force has not been able to determine the exact nature of Garrick's special responsibility, but has found no evidence indicating that it involved any illegal activity.

C. Reagan Campaign Activities To Disseminate Information About the Hostage Crisis

The Reagan campaign considered a variety of strategies to deal with the potential October Surprise. The primary strategy was to inoculate the public against the impact of an October Surprise. This strategy is discussed more fully below.

1. The October Surprise: The Reagan Inoculation Strategy

Several senior officials in the Reagan campaign were well aware of the power held by an incumbent president to impact a presidential campaign with a well-timed announcement on an issue of importance to the public.[53] These individuals also held the view, whether correct or not, that President Carter already had demonstrated his willingness during the Wisconsin primary to make such a political move.[54] The Reagan campaign thus considered a variety of approaches to deal with the potential of an October Surprise, and adopted a strategy of inoculation to familiarize the public with the idea that a late-breaking politically-timed development should be expected.[55]

As Richard Allen stated, the goal of the strategy was to anticipate the areas where Carter might attempt to utilize the power of his incumbency, and heighten suspicions of dramatic moves in those areas. "If we could do all that in advance it would automatically discount anything that happened. We could say, 'See, right here we predicted it.' " [56] Part of this strategy included having Reagan campaign spokespeople "put the press on notice, primarily, that Carter using the office of the presidency might attempt to do something dramatic to boost what we hoped would be his failing fortunes, politically, in the fall." [57]

In fact, the Reagan campaign made little secret about its planning to deal with a possible October Surprise, and even made efforts to persuade "the press that we were meeting every day and closely conferring about the implications of the hostage release or anything else of that type." [58] The most prominent mention came in an October 7, 1980 story in the New York Times concerning the Reagan campaign efforts to monitor the possibility that Carter would try to win the election with an October Surprise.[59]

2. The October Surprise Group

The October 7, 1980 New York Times piece detailed the work of the "October Surprise Group", which the article stated devoted much of its time to "guessing of possible Carter moves and the formation of counter-moves to preserve Mr. Reagan's current lead in the polls." [60] The October Surprise Group was a group of individuals who provided foreign policy and defense advice to the campaign. Among the issues discussed by the group were strategies and possible media responses to possible developments regarding the hostages that required anticipation and planning.

The group included among its members Richard V. Allen, Fred C. Ikle, Charles M. Kupperman, John R. Lehman, Jr., Thomas H. Moore, Robert G. Neumann, Eugene V.

Rostow, Laurence Silberman, William R. Van Cleave, Seymour Weiss.[61] Not all of these members attended all meetings, and additional people may have participated in other meetings.

It has been alleged that Robert McFarlane, then an aide to Senator John Tower, participated in at least one October Surprise Group meeting, where he allegedly proposed delivering arms to Iran in exchange for release of the hostages.[62] This claim is allegedly supported by a public statement made by Ray Tanter, a campaign advisor on Middle East issues.[63] Participants in the October Surprise group did not remember McFarlane participating in any meetings or make such a proposal.[64] McFarlane also stated that he did not attend any October Surprise Group meetings or making such a proposal.[65] Tanter stated that his public statement was only a repetition of what had been alleged in the media.[66] The Task Force has found no evidence to support the allegation of McFarlane's participation in the October Surprise Group or alleged suggestion of delivering arms to Iran in exchange for release of the hostages.

The October Surprise Group members were drawn from a group of approximately 60 advisers for the Reagan campaign for research and guidance on a foreign policy issues. A memo listing smaller subgroups of these advisors made reference to the Iran Working Group, which was to review the "[p]roblem of U.S. hostages; growing instability and the implications of general collapse into chaos; assessment of Soviet options and objectives; examination of U.S. policy options." [67] Unlike the other subgroups whose members were listed, the memo stated that the "names of Advisors participating will remain 'unlisted'." Ikle stated that this type of information is "very teasing," but was likely done to free the group from the distraction of the many people approaching the campaign with ideas about the hostage crisis who wanted to share them with the campaign.[68] The Task Force found no other evidence concerning the Iran Working Group.

The Task Force has found no evidence to suggest any illegal activity conducted by either the October Surprise Group or the Iran Working Group.

3. Skyline Towers Group

Another group of Reagan campaign staff members considering the October Surprise issue was referred to as the "Skyline Towers group," and consisted of several high-level campaign officials who lived in the Skyline Towers apartments building in Falls Church, Virginia, near the campaign headquarters. The group included at various times Richard Wirthlin, Ed Meese, William Casey, Peter Dailey and Robert Garrick.[69] The Skylines Tower group met at 6:30 or 7:00 in the morning at Richard Wirthlin's apartment at times during October, 1980, to discuss the campaign's plans and strategy concerning actions by both candidates.[70] The group also discussed strategy in the event of a release of the hostages, and to discuss the idea of getting out to the public the concept of a possible October Surprise.[71] For example, the group approved the making of television commercials that would be aired in the event that the hostages were released.[72]

The Task Force has found no evidence to suggest any illegal activity conducted by the Skyline Towers group.

4. Other Media Strategy Activity

The inoculation and media strategy planning by groups such as the October Surprise Group and the Skyline Towers group were closely linked to the Reagan campaign's monitoring of the public perceptions of the hostage crisis. Key strategist and pollster Richard Wirthlin conducted polls to measure the strength of Reagan and Carter support and also measure the possible effect of a hostage release.

Wirthlin recalled that his polls in early October indicated that Carter had a slight lead on Reagan, but even as early as October 2, 1980, Wirthlin's polls indicated that people had grown cynical about the political motives behind any sudden hostage release and would not give Carter credit for such action.[73] By mid-October, Wirthlin's information showed Reagan in the lead, and demonstrated the public's "mid-October cynicism" on the hostage issue.[74] As Wirthlin stated, "[t]he closer to the election date, the less power leveraging the hostages could provide to Carter in attempting to win reelection." [75]

Others members of the Reagan campaign, however, believed that the election could still be swayed by an October Surprise, and continued planning for a possible release of the hostages.[76] On October 19, Stef Halper wrote a memo to Meese discussing the hostage situation, and advised the campaign to continue to emphasize a possible release so as to generate expectations that this will occur and heighten the credibility problem for Carter.[77] In late October, Robert Gray prepared a memorandum for Meese that stated, "[a]s we reach for contingency plans re hostages we should keep in mind our ability to sow a story or start news trends by non-attributable comments to newsmen. If we leak to news sources our knowledge of the Carter-planned events, spelling out what Carter will do to make a media event of the release-phased return . . . we can get the press [to] say that Carter is politicizing the issue." [78] Gray testified that the Reagan campaign would not provide information to the media aside from the general concept that they should be alerted that a release would be politically motivated.[79]

On October 29, Richard Williamson wrote a memorandum to Paul Laxalt (Reagan campaign committee chairman), Bill Casey and Ed Meese entitled "The FINAL Days—October Surprise shifts to November Desperation Ploy." [80] This memo states that if the Reagan polls are correct (indicating Reagan with a substantial lead in the electoral college vote), then "we can expect Carter to make a dramatic drastic move on Saturday or Sunday." The memo recommended that the Reagan campaign take steps to ensure that no major mistakes were made by the Reagan campaign and that the campaign prepare the media for the possibility of a last-minute announcement by Carter.[81]

William Casey, on October 27, 1980, sent a similar message. In a memo addressed to all Reagan-Bush staff, he advised that "[p]recautions must be taken to make sure nothing is attributed to our campaign organization that could in any way be said to jeopardize the possibility of securing the release of the hostages. That means that nobody, except those who are specifically authorized, express opinions to the media from now until election day." [82] Anxiety about a possible October Surprise continued among the campaign workers, including Casey, up until election day.[83]

On the same day, Casey attended, along with Meese and Allen, an official briefing at the State Department presented by Assistant Secretary of State Harold Saunders.[84] Saunders briefed the members of the Reagan campaign on the status of negotiations with the Iranians (including the Iranian interest in military spare parts) and on the Iranian efforts to maintain arms supply.[85] As Allen stated, "They were the guys who started talking about spare parts; it wasn't us." [86] Saunders stated that the Reagan representatives wanted a measure "of the state of administration thinking about the timing of the release and this potential possibility for negotiations." [87]

On November 2, 1980, two days before the American presidential elections, the Iranian Majlis reached a decision concerning the conditions for release of the hostages. Carter, who had been campaigning in Chicago, was informed of the Majlis decision in the predawn hours of November 2.[88] He returned to the White House for meetings with his advisers, and at 6:22 p.m., appeared on television to announce that the Majlis conditions "appear to offer a positive basis" for a settlement of the crisis.[89]

The Reagan campaign took steps to assess the effect that this development might have on the election. Casey forwarded a memorandum to Reagan on November 2, the day of the Majlis decision, indicating that he expected Carter "to project a show of strength and protect the dignity and honor of the United States by rejecting these demands as outrageous." [90] He further stated that he believed Carter would be "perceived as having engaged in a desperate last attempt to manipulate the hostages again for political benefit." He therefore suggested that the Reagan campaign "should say very little and leave it that way." [91]

Casey, however, left little to chance, and undertook the costly effort of commissioning a national poll survey between 8 a.m. and 11 a.m. on November 2, 1980, to assess the impact of the Majlis decision.[92] The poll indicated that if Carter had been able to bring the hostages back on Monday, it would have had "either no effect or would likely have backlashed on Carter and helped [Reagan]." [93] The campaign nevertheless reserved half-hour blocks of time for Monday night on the three

major television networks to respond to the hostages' possible return, and reserved a studio in San Diego for Reagan to address the country live Monday night if the hostages came home.[94]

D. Specific Allegations of Access to Non-Public Material

The Task Force also investigated specific allegations that the Reagan campaign sought and obtained unauthorized access to specific United States government information and non-public documents concerning the hostage situation.

1. Information Concerning the Shah's Assets

An undated, typed memo in Robert Garrick's files at the Reagan Presidential Library stated that "president will agree to assint [sic] the proceedure [sic] to get the Shaa [sic] weath [sic] back to Iran. Iranian govement [sic] is paying $800,000 to aberranth [sic] via U.S. Government to locate abersee [sic] to get the shahs [sic] funds. . . . Secret meetings i [sic] Paris, Geneva." [95] This document was attached to another undated, handwritten document listing the name and address of a law firm that represented Iranian interests in the U.S. at the time of the hostage crisis,[96] and another undated, handwritten document mentioning "Issues & Answers" and Ghotbzadeh.[97] The memorandum appears to have been prepared by Garrick.[98]

Garrick did not recall these documents, nor did he recall any discussions with anybody concerning the shah's assets or any secret meetings in Paris or Geneva.[99] Meese stated that he had no recollection of any information on alleged secret meetings, but stated that he thought the mention of "Issues & Answers" refers to "a special performance of 'Issues & Answers', which was a Sunday talk show at the time; and it was the special 'Issues & Answers' program with that ex-Iranian foreign minister." [100] Thomas Shack, who was a named partner at the time in the law firm of Abourezk, Shack & Mendenhall, said his law firm had been hired by Iran to locate assets of the shah, but that the firm was not paid $800,000.[101] Shack also stated that he did not recall having knowledge of secret meetings between Ghotbzadeh and Hamilton Jordan in Paris or Geneva.[102] In addition, Shack had no knowledge of any contact between his firm and anyone associated with the Reagan campaign.[103]

The Task Force has been unable to ascertain the source of the information contained in these memoranda, but has found no evidence to conclude that it was obtained illegally.

2. Information Concerning the Iran-Iraq War

On September 24, 1980, Stef Halper prepared a memorandum for George Bush concerning the war that had commenced on September 22 between Iran and Iraq.[104] Halper had a conversation with Dr. Al Cottrell, the director of Middle East Studies at Center for Strategic and International Studies ("CSIS"), and General Brent Scowcroft (retired), a former national security assistant to President Ford who was not in service for the Carter administration, concerning the situation in Iran.[105] Halper stated that Cottrell and Scowcroft were the "two people I thought were the most knowledgeable about that region." [106]

The memo stated that the Iranians have few spare parts, but that "[s]pare parts could make little or no difference in force capacity at this time." The memo also stated the type of intelligence available in the region ("mostly satellite, some recon, few ground sources"), and stated, "Hostages. Delay. Teheran [sic] one problem town. Khomeini [sic] & Bani-Sadr directly involved in war. Settlement soon viewed as unlikely. No clear authority in Teheran." [107] The information conveyed to Halper by these non-government advisors was also being reported in the press during this time period.[108]

The Task Force has found no contrary evidence concerning the source of the information conveyed to Halper, nor has the Task Force found any evidence that Halper's information was illegally obtained from the United States government.

3. Information on the Second Rescue Mission

In late August, 1980, journalist Jack Anderson prepared a series of five articles about an alleged military force being massed by the United States against Iran, with the alleged

goal of rescuing the American hostages. The *Washington Post,* which ordinarily ran Anderson's column, "declined to run the articles, on grounds it could not independently confirm the allegations. But the charges were syndicated, causing wide-spread unease over the nation." [109] Rumors of a possible second rescue mission continued throughout the remainder of the campaign, even though the Carter administration denied any plans for a second rescue mission.[110]

The Reagan campaign monitored the issue of a second rescue effort. Allen stated in his deposition before the Senate committee that he received information in August 1980 that the Carter administration was contemplating a second hostage rescue mission.[111] He said that he immediately informed Brzezinski that he had learned of the planning of this mission, and agreed that he would not disclose this information publicly.[112] Brzezinski stated that he did not recall meeting with Allen, but that "it could have happened very briefly." [113]

Allen also testified before the Albosta Subcommittee that an October 10, 1980 entry in his personal log indicated that during a meeting of advisors "Seymour Weiss provided me with information concerning planning for a second hostage rescue attempt. The question of such an occurrence was discussed regularly at the time by members of the campaign organization, but I do not know the source of this particular information. To the best of my knowledge the Reagan-Bush campaign, or individuals associated with it, took no action in response to the information or opinion reflected in that note." [114] Fred Ikle stated that he remembered rumors of a second rescue attempt, but he did not believe the rumors to be plausible.[115] He did not recall the source of the rumors that he had heard, and stated that the only action that would have been taken would be for someone to have prepared a brief statement in the event that a rescue mission did happen.[116]

The Task Force has found no contrary information concerning the source of the information conveyed to Allen, nor has the Task Force found any evidence that Anderson's column was linked to the information Allen received.

4. Information on Partial Release of Hostages

A notation in Allen records indicates that he received information on October 10, 1980, from Fred Ikle concerning a possible partial release of hostages for spare parts.[117] It has been alleged that such a release had been proposed to the Carter administration by the Iranians at the time, and that the information on the partial release was sensitive.

In early September 1980, the Iranians had demonstrated an interest in negotiating the release of the hostages.[118] This interest lead to a series of meetings in mid-September, 1980 between American negotiators and Iranian representatives. During these meetings, the Iranian and American negotiators discussed a possible release of frozen assets, including spare parts, in exchange for the release of the hostages. After these initial discussions, American negotiators considered the possibility of an exchange of military equipment for the hostages. From the time of the commencement of discussions concerning a possible transfer of military material, rumors circulated in both the domestic and international press concerning the possibility of such an exchange.[119] During the period from the outbreak of the Iran-Iraq war to mid-October, these rumors circulated on a near-daily basis in several major papers.[120]

In addition, State Department documents indicate that discussion of a possible release of groups of hostages in stages had been communicated by the Iranian negotiator to the Germans for transmission to the United States by October 12.[121] Press reports indicated that rumors of a partial release had been circulating during the fall of 1980.[122]

In his deposition, Ikle stated that he did not recall conveying a message concerning a release of the hostages in exchange for arms to Allen, but stated that it is likely that he did pass such information.[123] He stated that he generally made daily reviews of domestic and foreign newspapers and other sources to keep abreast of developments in the hostage situation.[124] Ikle also stated that he did not receive information during the course of the campaign concerning the hostage situation from sources within the Carter administration.[125] Allen stated before the Senate subcommittee that he made

his note during an October Surprise Group meeting and was quoting a rumor that Ikle had heard relating to a possible parts-for-hostages exchange.[126]

The Task Force has found no contrary evidence concerning the source of the information conveyed by Ikle to Allen, nor has the Task Force found any evidence that Ikle's information was illegally obtained from the United States government.

5. Information on the Location of the Hostages

Allen's telephone log for October 13, 1980, includes a notation that reads as follows: "1151 Angelo Codevilla—938-9702. DIA—Hostages—all back in compound, last week. Admin embargoed intelligence. *Confirmed.*" [127] Angelo Codevilla was a former intelligence officer who in 1980 was a staff member on the Senate Select Committee on Intelligence who had daily contacts with intelligence agencies. Codevilla was also in contact during the campaign with Allen and Van Cleave.[128]

Codevilla recalls hearing that the hostages had been brought into one location about the first week of October, but could not remember how he discovered this information.[129] While Codevilla admitted that he had contacts in the Defense Intelligence Agency (which may be the reference to "DIA" in the Allen notation), he would neither confirm nor deny that this was the source of his information on the location of the hostages, nor would he reveal his source even if he could recall.[130] Codevilla told the Albosta Subcommittee, however, that he generally was not aware that there were any persons within the intelligence agencies who provided information to the Reagan-Bush campaign without proper authorization.[131]

Codevilla stated that he recalled telling Allen that the hostages were back in one location, and said that the fact that the hostages were gathered together might have indicated that the Carter administration was in fact making arrangements with Iran for a last-minute release of the hostages.[132]

Aside from Allen's note, the Task Force has found no evidence concerning the source of the information conveyed to Allen by Codevilla.

6. WLS Report

In mid-October, 1980, media reports speculated openly about the possibility that the Carter administration would strike a deal with the Iranians for an exchange of arms-for-hostages.[133] On October 15, 1980, a reporter for television station WLS in Chicago, relying on "exclusive information," reported that a "deal was in the works" for the release of the American hostages in exchange for spare military parts; that the hostages were assembled in the embassy; and that the deal included a step-by-step release of the hostages. After a State Department denial of this information, the WLS reporter stated that "we stand by our report."

The suggestion has been made that a member of the Reagan campaign staff may have been the "informed source" for the WLS reporter.[134] This suggestion was first based on the alleged statement of an unnamed individual who approached the Albosta Subcommittee with allegations that the source of the WLS story "was a highly placed member of the U.S. intelligence community" linked to the Reagan campaign.[135] The individual, who spoke on the condition that "his information not be made known to the minority [Republican] members or staff," stated that the alleged source provided the information to delay a pre-election release of the U.S. hostages in Iran, to the benefit of the Reagan-Bush campaign." [136]

This allegation is also based on a similarity between information in the WLS report and information known to the Reagan campaign.[137]

An undated memo written by Anthony Dolan to Meese stated that Dolan had been told by a source close to the Senate Intelligence Committee of the possible release of the hostages, as well as the alleged agreement to exchange spare parts for the hostages.[138] The memo also stated that this information was significant because it came in "before the Chicago report about spare parts." Dolan did not recall the source of the information in the memo, and stated that the WLS report was significant because it lent some credibility to report he had heard earlier. He also stated that he had never heard anyone suggest that the Reagan campaign should leak any such information to any reporter, and that he had not done so in this case.[139]

The Task Force has made an effort to obtain information from the WLS reporter and the unnamed individual who reported to the Albosta subcommittee, but these efforts did not lead to evidence connecting the source for the WLS information to the Reagan campaign.

The Task Force has found no evidence to support the allegation that the Reagan campaign disseminated information to WLS.

7. ABC XYZ Memo

Richard Allen prepared a memorandum dated October 15, 1980 to Reagan, Casey, Meese and Wirthlin that discussed a telephone call that Allen had had with an "unimpeachable source" who had received information relating to the hostages' release directly from an unnamed source entitled "ABC XYZ." [140] Three years later, Allen told the Albosta Subcommittee that ABC XYZ referred to then-Secretary of State Edmund Muskie, and that the "unimpeachable source" was John Wallach, a reporter for the Hearst newspapers.[141]

The 1980 memo stated that Allen received a phone call at 10:40 a.m. from the unimpeachable source, who stated that ABC XYZ said that "the last week of October is the likely time for the hostages to be released" and that this could come "at any moment, as a bolt out of the blue." The source also generally discussed the political climate in Iran and the possible release of spare parts to the Iranians.

Allen's phone log for October 15 that indicated that Wallach had, in fact, called him at 10:35 with information similar to that outlined in Allen's memorandum of the same date.[142] The phone log entry also contained a reference to Muskie.[143] Allen confirmed in his sworn testimony to the Task Force that Wallach was the source for this information and that Wallach had been provided the information by Muskie.[144]

During the Albosta investigation, Wallach told the FBI that he covered the hostage situation during 1980 and spoke with State Department personnel during that time about a possible exchange of arms for the hostages.[145] While he said that he had called Allen to obtain the campaign's opinion, Wallach also told the FBI that Muskie was not his source of information from the State Department, and that he did not tell Allen that Muskie was his source.[146] The Albosta Subcommittee also found that "Wallach wrote news stories providing much of the same information found in Allen's memorandum" on the next day.[147] This information was generally available from other public sources, as well.[148]

Meese had a "general" recollection of receiving the ABC XYZ memo, although he did not recall discussing it with anybody.[149] Wirthlin did not recall seeing the memo, but said that he "probably" did but that it did not "make a terribly strong impression." [150] He said that there was no specific action taken as a result of the memo other than to go according to the Reagan campaign's plan.[151]

The Task Force has found no evidence which establishes that the Reagan campaign illegally obtained the information in the ABC XYZ memorandum from the United States government.

8. Herbert Cohen Contacts

On October 23, 1980, William Casey met with Herbert Cohen, a negotiation expert who, until April, 1980, had provided papers and advice to the Carter administration concerning the hostage crisis, and had meetings with Carter administration officials.[152] Prescott Bush, George Bush's brother, met Cohen in July, 1980, and wrote to James Baker on September 13 asking if Baker wanted to meet with Cohen. In this letter, Prescott Bush stated that "[The Carter administration has] several contingency plans which call for different types of action . . . Herb has a couple of reliable sources on the National Security Council, about whom the Administration does not know, who can keep him posted on the developments." [153] Cohen denied that he told Prescott Bush that he had any secret sources on the NSC.[154]

Casey flew to New York to meet Cohen on October 23, and Cohen stated that Casey seemed concerned that the Carter Administration would attempt a last-minute act to release the hostages, such as an arms-for-hostages deal.[155] Cohen stated that he told Casey he did not believe that a hostage deal could be reached before the election.[156] Cohen says that Casey requested Cohen to prepared several reports concerning the hostage crisis and foreign policy mistakes of the Carter administration.[157]

Later in the month, when Cohen was in Washington, the two met again three days before the election. They had a discussion "pri-

marily about politics, campaign, New York City, and very little of substance about the hostage situation." [158]

The Task Force reviewed Cohen's report to Casey, as well as copies of the reports Cohen made to the Carter Administration which were found in Casey's personal papers, and has concluded that these reports contain general negotiating theories and did not contain specific or classified information.

9. Evans and Novak Column

In late October 1980, Evans and Novak reported that White House counsel, Lloyd Cutler, had negotiated an agreement with the Iranians which would lead to the release of the hostages.[159] According to a 1983 interview conducted by the FBI during the investigation of the theft of a Carter debate book, the press secretary to President Carter, Jody Powell, said the report allegedly contained inaccurate as well as sensitive information which had been closely held by the NSC and the White House.[160] Powell told the FBI that he called Roland Evans to ask why "no effort was made to confirm the story with the Carter Administration before publication. Evans replied because the story came from an impeccable source within the Reagan campaign." [161]

Evans stated that his stories during the 1980 campaign period were written by pooling information collected over a period of time from a large number of people from in the government and out of the government, as well as the Reagan and Carter campaigns.[162] He therefore could not identify a source for his information, and stated that he would not reveal a source even if he could remember.[163] Evans also stated that he did not question Jody Powell's recollection of what Evans allegedly said.[164] Evans also noted that he withdrew the story after questions were raised about the accuracy of some elements of the story.[165]

The Task Force has been unable to learn the identity of the source.

Endnotes

1. In June 1983, the House of Representatives, Subcommittee on Human Resources of the Committee on Post Office and Civil Service, chaired by Rep. Don Albosta, conducted an investigation into the alleged unauthorized transfer of material and information from the Carter administration during the 1980 Presidential campaign. Nearly a year later, the investigation issued a report. *See Unauthorized Transfers of Non-public Information During the 1980 Presidential Election* (hereinafter "Albosta Report"). The FBI also conducted an investigation of those allegations. The Task Force has had access to the FBI investigative files on that matter.

2. Allen Dep. at 21; Interview of William R. Van Cleave (Nov. 10, 1992) (hereinafter "Van Cleave Int."). *See also* Albosta Report at 35.

3. Allen himself was aware of the dangers of interference with foreign policy from the attempt by Anna Chenault during the 1968 campaign, without authorization from the Nixon campaign, to intervene in the Vietnam War peace talks by trying to persuade the South Vietnamese to stay away from the talks with the promise that they could get a better deal with Nixon. Allen Dep. at 22–23.

4. *See* M. Beschloss, *The Crisis Years: Kennedy and Khrushchev 1960–63* 101–02 (1991)("One reason for Kennedy's campaign intensity against Castro was fear that Eisenhower would stage an October invasion of Cuba that would oust Castro and elect Nixon."); Allen Dep. at 5; *Anything Up Their Sleeves? Prognosticating About this October's Surprise,* Wash. Post, Sept. 30, 1992, B1. A memo in Hamilton Jordan's campaign files, entitled "A Strategic Approach to the 1980 Presidential Election", recognized Carter's power and advised that "[t]he critical difference in the resources available to the Carter campaign as contrasted with the other two is the power of the Presidency to the extent it can be actively brought to bear." *See* App. at 794–797.

5. *See, e.g., The Unfolding Hostage Drama Adds New Volatility to Election,* Wash. Post, Nov. 3, 1980, A1 ("trailing badly in the polls behind Democratic challenger Edward M. Kennedy, Carter invoked the same sense of national unity he spoke of last night [November 2] and crushed Kennedy's campaign with stunning ease. . Carter announced hopeful developments on the morning of the Wisconsin primary. The tactic gained him votes there but left a residue of cynicism."); *Iran and the Wisconsin Primary,* N.Y. Times, Apr. 3, 1980.

6. An undated memorandum in the Reagan campaign files from Bob Gray to Dick Wirthlin stated that "the rise and fall of hope for the release of the hostages exactly coincides with Carter's standings in the polls and the landmark primaries throughout the campaign year. He never had to actually produce the hostages before November 4; he could rely upon presidential credibility to bluff his way." The memo discusses four Democratic primaries (Iowa, Maine, New Hampshire and Wisconsin) and the perceived manipulation of the hostage crisis by Carter before each. *See* App. at 798–800.

7. *See* History of Hostage Crisis, section V, *supra,* for a further discussion regarding the circumstances of the announcement.

8. *The Unfolding Hostage Drama Adds New Volatility to Election,* Wash. Post, Nov. 3, 1980, A1.

9. *See, e.g., Reagan's Quiet Campaign Chief,* N.Y. Times, Apr. 22, 1980, B12 (" 'That was a shabby business about the Iranian hostages on the morning of the Wisconsin primary,' [William Casey] says, 'The act of a man with no nerve.' 'We expect Carter will try everything to get re-elected,' he says, 'So we'll be ready for everything.' ").

10. As Richard Wirthlin stated with regard to the Wisconsin primary events, "we would have been blind, deaf, mute and dumb to not give some credibility and some interest to the possibility that Carter would again attempt to use the hostages to his political advantage." Deposition of Richard B. Wirthlin (Oct. 26, 1992) at 37–38 (hereinafter "Wirthlin Dep."). Campaign staff member Robert Garrick observed that "the whole campaign headquarters was permeated with that feeling." Deposition of Robert M. Garrick, (Sept. 30, 1992) at 16 (hereinafter "Garrick Dep."). Several campaign documents reviewed by the Task Force reflected the Reagan campaign's concern for the "Wisconsin syndrome."

11. *See, e.g.*, Wirthlin Dep. at 9–10, 26; Edwin Meese Dep. at 6; Deposition of Stefan Halper (Nov. 12, 1992) at 6–9 (hereinafter "Halper Dep.").

12. See, e.g., Meese Dep. at 6; Allen Dep. at 1–2; Wirthlin Dep. at 16–17.

13. Albosta Report at 33.

14. *See, e.g.*, Van Cleave Int. at 8. Indeed, Richard Allen stated in his deposition that based on his experience, there was a "constant flow [of] erroneous information, ideas, schemes and theories in a campaign." Allen Dep. at 36.

15. Van Cleave Int. at 7–8; Wirthlin Dep. at 30.

16. *See* Allen Dep. at 46; Saunders Dep. at 16; Wirthlin Dep. at 30.

17. Van Cleave Int. at 8.

18. Interview of Charles M. Kupperman (Nov. 16, 1992) at 11 (hereinafter "Kupperman Int.").

19. Van Cleave Int. at 8.

20. *See* Van Cleave Int. at 8; Allen Dep. at 46; Kupperman Int. at 6; Albosta Report, at Allen Aff'd at ¶ 11.

21. Kupperman Int. at 11.

22. *See, e.g.*, Section VII, *supra*, regarding the L'Enfant Plaza meeting.

23. Ikle Dep. at 25–27.

24. Ikle Dep. at 27.

25. Ikle Dep. at 25–26. Ikle also stated that these contacts would involve "people who reported they had met an Iranian businessman on K Street. . And then they told us about it." *Id.* at 26.

26. Halper Dep. at 5–6; Deposition of Robert W. Gambino (Oct. 14, 1992) at 5 (hereinafter "Gambino Dep."); Garrick Dep. at 16; Wirthlin Dep. at 23.

27. Halper Dep. at 5–6.

28. Halper Dep. at 5–6, Gambino Dep. at 5.

29. *See* G. Sick, *October Surprise* 23–24. This perception is supported by the fact that the operation center staff included former intelligence officers. One staff member, Robert Gambino, was employed by the CIA for 24 years and was a friend of George Bush's prior to joining the campaign. Gambino Dep. at 2–4. He stated, however, that he had no contact with CIA employees while working with the campaign. *Id.* at 13–14. He also testified that he knew Donald Gregg, who was working at the Carter administration NSC at the time of the campaign, but that he had no contact with Gregg during the campaign. *Id.* at 24. The Task Force has found no evidence contrary to Gambino's testimony.

30. Gambino Dep. at 13; Halper Dep. at 14. Halper stated that he did not remember operations center personnel having contact with individuals in the Carter administration. Halper Dep. at 14.

31. Albosta Report at 36.

32. Id.

33. Gambino Dep. at 13; Halper Dep. at 14; Wirthlin Dep. at 26–27.

34. *Carter's Concern: Vital Oil Shipping; President Warns That Oil Must Continue Via Gulf*, Wash. Post, Sept. 25, 1980, A1.

35. *See, e.g., Hire-Wire Diplomacy; U.S. Forced into High-Risk Diplomatic Game; Balancing on Edge of Possible New Trouble*, Wash. Post, Oct. 27, 1980, A1 ("At issue is whether the Carter administration's alleged 'tilt' toward Iran in an attempt to influence the hostage issue—whether through hints of supplying Iran with military spare parts or statements by President Carter . supporting Iran's 'territorial integrity'—will harm U.S. relations with other key countries in the Persian Gulf region and elsewhere."); *Radicals Blocked Parliament Debate On Hostage Terms; Iranian Majlis Fails to Produce Quorum for Debate on Hostages*, Wash. Post, Oct. 31, 1980, A1. *See also* History of Hostage Crisis, section V, *supra*; notes 105, 128, *supra*.

36. Garrick Dep. at 16–18.

37. *Id.*

38. *See* Wirthlin Dep. at 18–19, 23–24; Meese Dep. at 10–11; Gambino Dep. at 11–12; Halper Dep. at 19; Van Cleave Int. at 2–3. *See also* Albosta Report at 48–49.

39. Garrick Dep. at 20. *See also* Gambino Dep. at 22; Halper Dep. at 19.

40. Wirthlin Dep. at 18; Van Cleave Int. at 6; Gambino Dep. at 11–13; Halper Dep. at 19–20.

41. *See* App. at 801–803.

42. Garrick Dep. at 50.

43. See App. at 804–805.

44. Garrick Dep. at 54–55; Meese Dep. at 37–38; Halper Dep. at 36–38.

45. Garrick Dep. at 54–55 (assignment allowed Garrick to "more carefully read[ ] the copy and the traffic that we had getting . give me more breathing room, because I don't know if you've ever seen an AP machine spewing out stuff.").

46. Halper Dep. at 37–39.

47. *See* App. at 806–807.

48. *See* App. at 808.

49. *See* App. at 809–813.

50. *Id.*

51. Garrick Dep. at 56; Meese Dep. at 46.

52. Gambino Dep. at 21. *See also Unofficial List of U.S. Hostages*, N.Y. Times, Nov. 3, 1980, A18; *U.S. Insists Iran is Holding 50 Hostages*, Wash. Post, Mar. 14, 1980, A20.

53. Ikle Dep. at 11 (goal of campaign was to "prepare the candidate for the eventuality of sudden-breaking news, be it in arms control, be it in trade negotiations, be it in the hostage negotiations, and there were these continuing stories of on-going hostages negotiations.").

54. Meese Dep. at 8; Wirthlin Dep. at 37, 47–48; Halper Dep. at 16; Allen Dep. at 23.

55. For example, in a memorandum dated August 4, 1980 entitled "The Opposition Campaign, Some Proposals," Anthony Dolan discusses Carter's alleged abuses of the incumbency and manipulation of the media and suggests in response, among other things, that the Reagan Campaign make the October Surprise a "constant refrain." *See* App. at 814–818.

56. Allen Dep. at 22–23. *See also* Meese Dep. at 7–8; Wirthlin Dep. at 37. *See also* Anthony R. Dolan Interview (Dec. 10, 1992) (hereinafter "Dolan Int.").

57. Wirthlin Dep. at 44.

58. Allen Dep. at 22. The press mentioned the Reagan campaign's concern over October Surprise as early as August 1980. *See Republicans Worry About 'October Surprise' by Carter*, Wash. Post, Aug. 27, 1980, A1.

59. *Reagan Aides Seek Way To Defeat Any 'Surprise'*, N.Y. Times, Oct. 7, 1980, D21. *See also* Allen Dep. at 22.

60. *Id.*

61. "List of 'OSG Phone Numbers' ", undated, obtained from Richard Allen. The Task Force spoke to most members of the October Surprise Group, but was unable to speak to some individuals. Specifically, Seymour Weiss is deceased; Richard Whalen is reported to be living in Europe; and John F. Lehman, Jr., refused to cooperate. *See* App. at 819–820.

62. *See* B. Honegger, *October Surprise* at 15.

63. *Id.*

64. *See* Van Cleave Int. (Oct. 7, 1992) at 1; Kupperman Int. at 4; William Schneider, Jr. Interview (Dec. 1, 1992) at 8 (hereinafter "Schneider Int.").

65. *See* McFarlane Dep. at 7–8.

66. Ray Tanter Interview (Dec. 7, 1992). Tanter stated that Barbara Honegger did not consult him before writing her book, *October Surprise. Id.*

67. *See* App. at 821–824.

68. *See* Ikle Dep. at 8. *See also* Allen Dep. at 50–51.

69. Meese Dep. at 9; Wirthlin Dep. at 16–17.

70. Several Reagan campaign members did not know of these meetings. *See, e.g.,* Gambino at 18.

71. Meese Dep. at 10, 12–13; Wirthlin Dep. at 15–17. Wirthlin stated that the early morning meetings indicated that the hostage issue was something that the campaign "could not ignore." Wirthlin Dep. at 99.

72. Peter Dailey Interview (Sept. 29, 1992) (hereinafter "Dailey Int.").

73. Wirthlin Dep. at 62–63. *See* App. at 825.

74. Wirthlin Dep. at 54–55.

75. Wirthlin Dep. at 55.

76. For example, on October 25, 1980, Larry Seidler addressed a memo to Tony Dolan entitled "Political Countermeasures upon Release of the Hostages." *See* App. at 842–44. The memo discussed a rumor that the hostages might be released, and stated that if any hostages were freed before the election, it would be "of paramount importance to have this event backfire upon Mr. Carter." *See* Meese Dep. at 48 (this memo "was providing both the rumor and then what we ought to do to counteract that situation if it happened").

77. *See* App. at 826–831.

78. *See* App. at 832.

79. Gray Dep. at 10, 44.

80. *See* App. at 833–841.

81. In a October 24, 1980, memorandum from Dick Darman to James Baker, who was a senior advisor to the Reagan campaign, Darman suggested that the campaign "develop an *informal poll* that 'finds' the possibility of backlash [related to a hostage release] among selected voter populations—and then to leak a story that would come out roughly like this: *Reagan camp surprised—informal poll suggests hostage backlash.*" The memorandum went on to say "If it is not desirable to get this suggestion across this way, perhaps it should be done more directly." There is no evidence of what, if anything, the Reagan campaign did in response to this memo.

82. *See* App. at 845.

83. Meese Dep. at 42, 47; Wirthlin Dep. at 58, 81, 100; Ikle Dep. at 19; Halper Dep. at 53.

84. *See* Allen Dep. at 27.

85. *Id.*

86. *Id.*

87. Saunders Dep. at 25.

88. *Carter Says Hostages Terms Offer Hope; 'A Positive Basis' For Release Seen,* N.Y. Times, Nov. 3, 1980 A1.

89. *Id.*

90. *See* App. at 846.

91. Several members of the Reagan campaign have suggested that the actions of the campaign and, in particular, William Casey, during the last month of the campaign were inconsistent with the theory that the campaign reached an agreement concerning release of the hostages. *See* sections VII–VIII, *supra,* for a further discussion of these issues.

92. Wirthlin Dep. at 56.

93. *Id.*

94. *Id.* at 100. *See also The Unfolding Hostage Drama Adds New Volatility to Election,* Wash. Post, Nov. 3, 1980, A1 (Reagan is scheduled to tape a speech for the three networks that "would give him an opportunity to discuss the [hostage] issue if he decided there was need to do so."); *Reagan Prepares An Attack on Carter if 52 Are Freed,* N.Y. Times, Nov. 2, 1980, A1.

95. *See* App. at 847–49.

96. The memo states "Abourezk, Shack & Mendenhall, 1129 20th St. N.W., 293-5900."

97. The handwritten document appears to read "Special Issues & Answers with that ex-Iran foreign minister. Paris house of Argentinean firm meet in Ghotbzaeh [sic]."

98. Garrick could not specifically recall the memorandum, but he did state that the style and typing of were similar to his, and that the type appeared to have come from his typewriter. *Id.* at 100.

99. Garrick Dep. 33–35.

100. Meese Dep. at 42–44.

101. Thomas Shack Deposition (Dec. 1, 1992) at 2, 5, 7 (hereinafter "Shack Dep.").

102. Shack Dep. at 8.

103. Shack Dep. at 6.

104. *See* App. at 850-854.

105. *See Carter Gets More Flak on 'Stealth',* Chris. Science Monitor, Sept. 11, 1980, 2.

106. Halper Dep. at 22, 33. Halper stated that "Cottrell is a real expert. He spent most of his professional life analyzing events there." He also stated that his father-in-law was at CSIS so it was a natural place for him to go to seek expert advice.

107. The memo also stated "Key Point. If the administration had paid proper attention to the stability of the region this would not have happened" and that "The fighting, now in its third day, forced Iran's Parliament to 'FREEZE INDEFINITELY' the debate on the fate of the 52 Americans who have been held for 326 days."

108. *See, e.g., Iran Bombs Baghdad; Full-Scale War Erupts,* Wash. Post., Sept. 24, 1980 A1 (Iran stated that the hostage issue "has been frozen indefinitely."); *Carter Meets with Muskie, Aides on Iran-Iraq War,* Assoc. Press Wire, Sept. 24, 1980 ("Muskie, echoing a statement Tuesday on Tehran Radio, said he believes that Iranian consideration of the hostage question will be suspended for the duration of Iran's war with Iraq."); *Iraqi-Iranian Clash Endangers Oil to West,* Wash. Post, Sept. 23, 1980, A1 ("U.S. military specialists studying the fragmentary information available tended to agree with the French view that the fighting would probably stop short of an all-out-war between Iran and Iraq. Neither country, they noted, was moving to establish the kind of supply lines needed to sustain a full-scale war.").

109. *Carter Four Years Later: Domestic Woes Nearly Do Him In,* Chris. Science Mon., Oct. 21, 1980, 12.

110. *See, e.g., U.S. Intelligence Uncertain Where All Hostages Are,* Wash. Post., Oct. 30, 1980, A24 (Joint Chiefs of Staff "continue to look for ways to rescue the 52 hostages by military force without suffering unacceptably high casualties."); *U.S. to Airlift 1,400 Troops to Egypt for Maneuvers,* N.Y. Times, Sept. 12, 1980, A1 (sources "discounted rumors that the United States was planning another mission to rescue the American hostages in Iran.").

111. *See* Allen Senate Dep. at 79.

112. Allen Senate Dep. at 79-80.

113. Zbigniew Brzezinski Deposition (Sept. 17, 1992) at 8 (stating "this doesn't mean that it didn't occur; because the fact of the matter is, every single day, particularly during that time, was so compressed, with so many events occurring, that it could have happened very briefly.").

114. Albosta Report, at Allen Aff'd at ¶ 10. Allen also stated that he did not received at any time during the 1980 campaign, Carter administration information of documents that were classified or not duly authorized for release. *See also* Albosta Report, at Allen Aff'd at ¶ 11. *See* App. at 855-56.

115. Ikle Dep. at 34.

116. Ikle Dep. at 46-50 ("I recall . rumors about another raid. Whether that was sheer mention or something picked up in a London tabloid or if someone really was involved in the margin and some planning in the Pentagon and leaked it to somebody who in turn mentioned it to somebody else and mentioned it to me or Bill Van Cleave I don't know."). Ikle stated that the campaign did not provide information to Anderson, but that someone from the campaign may have spoken to Jack Anderson about the contents of his column after it appeared. *Id.* at 51.

117. *See* App. 855-856.

118. *See* History of Hostage Crisis, section V, *supra,* for discussion of this issue.

119. *See, e.g., U.S. Intensifies Its Hostage-Release Efforts,* Wash. Post, Oct. 11, 1980, A25 ("Reports circulated in Washington yesterday that the administration was looking into ways to provide military spare parts to Iran through third countries in a deal linked to the hostages.").

120. *See, e.g., Some U.S. Aides Anticipate Break in Hostage Crisis,* Wash. Post, Oct. 15, 1980, A1; *Khomeini Rejects New Truce Offer, Calls for Victory,* Wash. Post, Oct. 5, 1980 A1; *Muskie Confers with Iraqi Aide; Gets Assurances,* N.Y. Times, Oct. 1, 1980 A13.

121. *See* App. at 292-305.

122. *See, e.g., Iran is Told it Must Free All Hostages,* Wash. Post, Oct. 26, 1980, A1 ("Causing concern in official quarters was a new spate of public suggestions by Iranian figures of several different factions that a partial release, rather than a release of all 52 Americans, is being discussed. Washington policy-makers added that unofficial suggestions of a partial release have prompted a series of U.S. messages on that subject this fall.").

123. Ikle Dep. at 34.

124. Ikle Dep. at 19.

125. Ikle Dep. at 12.

126. Allen Senate Dep. at 82-83.

127. *See* App. at 857.

128. Angelo Codevilla Deposition (Sept. 29, 1992) at 2 (hereinafter "Codevilla Dep").

129. Codevilla Dep. at 4.

130. Codevilla Dep. at 4. Codevilla stated that revealing a source would be a breach of the confidentiality. *Id.*

131. Albosta Report, at Codevilla Aff'd at ¶ 5.

132. Codevilla Dep. at 4.

133. *See* notes 35, 105, 128, *infra.*

134. *See* G. Sick, *October Surprise* at 139.

135. Albosta Report at 57. "This individual alleged that [the WLS reporter's] source provided information to Moore to publicize the secret negotiations and thus prevent consummation of a hostage-spare parts deal that might have involved the U.S. in the Iran-Iraq war." *Id.*

136. Albosta Report at 57.

137. *See* subsections 4 & 5 of this section, *supra.*

138. *See* App. at 858.

139. Dolan Int. Dolan stated that he would have recalled such an incident because he would have been upset by such a suggestion and would have counselled against it. *Id.*

140. *See* App. at 859-860.

141. *See* Albosta Report at 51.

142. *See* App. at 861.

143. *Id.*

144. Allen Dep. at 20-21 (Allen testified in his deposition that Wallach had called Allen to complain after Allen had publicly testified to the Albosta subcommittee that Wallach had said his source was Muskie. According to Allen, during the call, "Wallach said to me, I have my own journalistic standards or professional ethics, or whatever it may be. And I said, that is your problem. I am going to tell the truth. You were the man who gave me this information. You told me it was Muskie at the time.").

145. *Id.*

146. *Id.*

147. *Id.* at 52. *See also* Albosta Report, at Allen Aff'd at ¶ 3 ("I later learned that Mr. Wallach filed and published a story with essentially the same information contained in the memorandum."); J. Wallach, *Day 349,* L.A. Herald Examiner, Oct. 16, 1980, A1; J. Wallach, *U.S. Thinks Iran Now Wants to Deal for the hostages,* S.F. Examiner, Oct. 17, 1980, A16.

148. *See, e.g., Muskie Lends U.S. Support to Iraqi Cease-Fire Proposal,* N.Y. Times, Oct. 3, 1980, A8 ("Mr. Muskie was asked whether the United States would be willing to supply spare parts and other military equipment to Iran to obtain the release of the 52 Americans. . . . President Carter and other officials have strongly hinted of American willingness to discuss such an exchange."); *U.S. Intensifies Its Hostage-Release Efforts,* Wash. Post, Oct. 11, 1980, A25; *Carter's Concern: Vital Oil Lanes,* Wash. Post, Sept. 25, 1980, A1. *See also* note 105, *supra.*

149. Meese Dep. at 21.

150. Wirthlin Dep. at 39.

151. *Id.* at 41.

152. Albosta Report, at Casey Aff'd at ¶ 16; Herbert Cohen Interview (Aug. 10, 1992) (hereinafter "Cohen Int.").

153. *See* App. at 862-863.

154. Albosta Report, at Cohen Aff'd at ¶ 18. *See also* Albosta Report at 56.

155. Cohen Int. at 28.

156. Cohen Int. at 32. Casey, in his Albosta Subcommittee affidavit, stated, "[Cohen] had served until about April of 1980 as a consultant in the efforts of the Carter administration to negotiate the release of the American hostages from Iran. Drawing on this experience and his expertise as a negotiator, he gave me his opinion that the Iranians would strike an agreement to release the hostages when they had maximum value, which in his opinion would be shortly before election day." *See* Albosta Report, at Casey Aff'd at ¶ 16.

157. Albosta Report, at Cohen Aff'd at ¶ 26.

158. Cohen Int. at 36-38; Albosta Report, at Cohen Aff'd at ¶ 21.

159. *See From U.S. Officials, Denials and Uncertainty,* Wash. Post, Nov. 1, 1980, A1 ("Cutler described as 'totally false' assertions by columnist Rowland Evans and Robert Novak in a special report to newspaper clients that the hostage-release deal was 'sealed in a handshake' between Cutler and Iranian emissaries in Geneva a little more than two weeks ago.").

160. *See* Jody Powell FBI Interview (Sept. 22, 1983) at 1.

161. *See* Jody Powell FBI Interview (Sept. 22, 1983) at 2. Jody Powell also told the FBI that "he was not in possession of any facts which indicated how the Carter material reached the Reagan campaign." *Id.*

162. Rowland Evans Deposition (Dec. 22, 1992) at 4 (hereinafter "Evans Dep.").

163. Evans Dep. at 2-3.

164. Evans Dep. at 3.

165. Evans Dep. at 2.

X. Alleged *Quid Pro Quo* Deliveries of Arms

H. Res. 258, Section 1(d): Any Sale or other Transmittal of arms, spare parts, or other assistance in 1980 or thereafter, by any persons or nation, intended to delay the release of the Americans held as Hostages by Iran, and any approval, acquiescence or knowledge of such sales or transmittals by the 1980 Reagan Presidential Campaign or persons representing or associated with that campaign.

A. Allegations

It has been alleged that meetings held in Paris in October, 1980 confirmed an agreement to delay the release of the hostages in exchange for the delivery of arms. This agreement has been called the *quid pro quo* of the October Surprise allegations. Three variations of the alleged agreement have been offered: (1) before the Republicans assumed power in January, 1981, arms would be sent from Israel, or under Israeli auspices, to Iran through private arms brokers; (2) after the inauguration, Israel would be permitted to begin direct arms shipments to Iran of either United States origin or licensed equipment or Israeli-manufactured or repaired equipment, or both. To the extent that United States origin or licensed arms were shipped, the United States would replenish Israeli stockpiles; and (3) after the inauguration, the United States would either ship arms to Iran openly, under the Foreign Military Sales program, or covertly.

The Task Force investigated each of these allegations as well as an array of variations on them. This investigation included interviews with United States and foreign arms dealers; Iranian and Israeli government officials; Carter and Reagan Administration officials charged with overseeing arms dealings among and between the United States, Israel, and Iran; and several investigative reporters specializing in arms trafficking in this region. Task Force investigators also reviewed thousands of documents from the Departments of State and Defense, as well as relevant United States intelligence agencies to determine whether evidence could support the *quid pro quo* allegations. This section of the report describes the findings of the Task Force's investigation into the arms allegations.

B. Israel-Iran Relationship

1. Overview

The relationship between Iran and Israel from 1948 through 1979 was characterized by a number of mutual interests. Following the signing of the 1949 Arab-Israeli armistice, the one year-old state of Israel found itself under siege, its Arab neighbors vowing to destroy it. Militarily, diplomatically and economically isolated in the Arab world, Israel tried to nurture as many relationships as possible with the outer tier of non-Arab Middle East countries—principally Iran, Turkey, and Ethiopia—which did not see Israel as a threat and shared its pro-Western foreign policy. At the same time, Israel also sought to protect the well being of persecuted Jews living in the Arab world, many of whom were being held against their will and used as leverage against Israel. Israel's policy of cultivating relationships with countries on the perimeter of the Middle East came to be known as the "doctrine of periphery." [1] Nowhere was Israel more successful in promoting

doctrine than in its policy towards Iran from 1950 through 1979.

In 1950 Israel's embryonic relationship with Iran provided a small escape from the political and military claustrophobia in which the Jewish State found itself in the Middle East. For Iran's part, a relationship with Israel helped the Shah establish his own independence in the Middle East, partly by deterring possible hostile acts by Arab states such as Egypt. As the Soviet Union began arming enemies of both Iran and Israel, Tehran and Jerusalem's interests converged around the United States' goal of containing the growth of Soviet influence. According to Israeli historian and writer Shmuel Segev, "For more than 25 years, the United States, Israel and Iran worked together in a strategic unofficial alliance aimed at halting the Soviet Union's expansion in the Middle East and weakening its friends in the Arab world".[2]

Although Iran had voted with the Arab bloc against the creation of Israel in 1948, the Shah soon realized that an alliance with Israel could help him balance the power of Egypt and other Arab countries vying for leadership of the Arab world. In 1950 Iran granted *de facto* recognition to Israel, establishing a consulate in Jerusalem and helped Iranian Jews emigrate to Israel. Israel gave the Shah money and access to Israeli exports.

Until the late 1950's, however, Iran maintained only a low-key relationship with Israel, refusing requests to upgrade economic or diplomatic status. Yet, spurred on by the increasingly aggressive acts of Egyptian President Gamal Abdel Nasser, who nationalized the Suez Canal in 1956, the 1958 coup in Baghdad, the Egypt-Syria union, and the 1958 Egyptian-fomented civil insurrection in Lebanon, the Shah sought closer commercial and diplomatic relations with Israel. The Shah began supplying Israel with increasing amounts of oil and Israel initiated military intelligence exchanges and training programs for Iranian army and security officers.[3]

By the late 1960's, information indicates that top Israeli leaders had established close personal connections and relationships with key Iranian officials. Visits to each country by top officials of the other became frequent. Israel's military relationship with Iran began to grow. In addition to training military officers, Israel provided Iran light ammunition, spare parts for airplanes, and communications equipment.

The quadrupling of oil prices prompted Iran to embark on a massive military procurement program, purchasing tens of billions of dollars of equipment from the United States.[4] But the Shah also wanted to diversify his military supplies and lessen his dependence on the United States. In 1976 and 1977, the Shah authorized Iranian officials to begin negotiations with Israel on a technical assistance program to assist Iran in developing a ground-to-air missile and long range artillery shell. The program never got off the ground, however, mainly due to Israeli fears of instability in Iran. Israeli officials, such as Uri Lubrani (Israel's unofficial Ambassador to Iran), warned American officials in the mid-1970's that internal dissent would topple the Shah and that the United States needed to talk to Khomeini, then living in exile in Paris. American officials did not believe that the Shah was in any serious political trouble.

2. The Fall of the Shah

At the time of the Shah's fall, the Iranian government had approximately $12 billion worth of military supplies on order from the United States, much of which had not been paid for.[5] The Iranian government was also approximately $600 million behind in payments to the United States Foreign Military Sales (FMS) Program.[6] In January 1979, Eric Von Marbod, a Deputy Assistant Secretary of Defense, travelled to Iran to execute an agreement providing for arms sale payments to the United States Government and private American contractors, and sharply curtailing additional purchases by Iran. While ensuring payment for outstanding obligations, this agreement marked the exit by the United States from arms dealing with Iran.[7]

While United States arms sales were ending the Israelis tried to establish a military relationship with the new Iranian regime.[8] Israel hoped to retain an Iranian counterweight to their Arab neighbors and to continue to protect Jews still residing in Tehran.[9] The turmoil in Iran meant that no single political group had enough power to dictate policy. As a result, SAVAK and much of the Iranian military command remained in place long after the fall of

the Shah.[10] In late 1979, Israel began to probe reestablishing arms links with Iran.[11]

Thus, of primary importance to the Israelis was the continuation of the arms sales connection which had served Israel so well under the Shah. Since Israel and Iran had the same United States based military systems, the Israelis saw a role for themselves as a supplier of weapons and spare parts for Iran.[12]

3. Israel, Iran, and the Carter Administration

Between January 1979 and November 4, 1979, the possibility of United States arms sales to Iran was still an open question. With the seizure of the American hostages on November 4, 1979, United States arms sales policy toward Iran changed dramatically. On November 8, 1979, the United States halted all shipments of military spare parts previously on order by Iran.[13] This was followed on November 14, 1979 by President Carter's order freezing Iranian assets in United States banks and their foreign branches.[14] On December 22, 1979, the Department of State notified all manufacturers and exporters of defense articles and services that all shipments to Iran of United States munitions list and related technology articles manufactured abroad were being suspended.[15] These orders prohibited all sales of United States origin items and items manufactured under United States license by the United States, Israel, or any other country. This prohibition remained in effect throughout the hostage crisis.

4. The Initial Israeli Request to Sell Arms, April 1980

The government of Israel, while respecting the terms of the embargo, believed that progress could be made in the hostage negotiations by taking advantage of Iran's need for arms.

During a visit to Washington, D.C. on April 13, 1980, a high level Israeli official informed President Carter that Israel had contacts in Iran that could be useful in the hostage negotiations and that those contacts could be developed further if Israel was permitted to sell the Iranians certain kinds of military equipment.[16] President Carter rejected the Israeli's offer and asked his assurance that Israel would observe the arms embargo.[17] Israel agreed.[18] According to United States Ambassador to Israel, Samuel Lewis, the Israelis believed that the proposal made sense. President Carter was told that if Israel felt it necessary to alter its policy on selling arms to Iran, the government of Israel would advise the United States before changing its policy.[19]

5. The Iran-Iraq War

According to the October Surprise allegations, the outbreak of war between Iran and Iraq in September 1980, caused the Iranians to intensify their search for American arms. It has also been alleged that Israel's desire to sell arms to Iran likely intensified during this period. The GOI Report directly supports the latter premise:

> On 22 September 1980, when Iran was still engaged with problems with the revolution at home, Iraq invaded Iran. Iran found itself forced to repel the attackers while it was in isolation due to the embargo placed on arms deliveries to it.
>
> The embargo was imposed in reaction to the taking of the United States hostages in Tehran. As a result, Iran found it difficult to obtain arms in regular channels and was forced to look for indirect channels.
>
> Upon outbreak of the war, Israel and Iran shared a common enemy—Iraq—whose advance on the battlefield raised Israeli concern. This argument, together with those stated above, led to the fostering of Israeli policy to find ways to develop ties with Iran, one of which was to aid the Iranian army in its distress, by the dispatch of military equipment (basic and not sophisticated) which Iran required urgently for its war with Iraq. In such a manner, a channel would be opened for discussions with Iran which would also serve [other] political purposes [e.g. release of the American hostages].[20]

In an interview on September 28, 1980, Israeli Deputy Defense Minister Mordechai Zipori stated that Israel stood ready to supply Iran

with substantial aid to carry on its war with Iraq, but only if there is a "serious turning point" in Iran's presently hostile policy toward the Jewish state.[21] Minister Zipori stated that Israel was "in a position to supply Iran with artillery shells, sea-to-sea missiles and other arms," and, he explained, that this aid could be very important to Iran because Iranian ships were equipped with Gabriel sea-to-sea missiles made by Israel, and Iran's artillery used shells partly of Israeli manufacture. Minister Zipori maintained, however, that there had been no official contacts with Iran regarding potential assistance.[22]

By late September 1980, Ambassador Lewis, reported in a cable to the State Department that there was significant disagreement within Israel on its involvement in the Iran-Iraq war.[23] While a high level Israeli official preached neutrality, others within the Defense Ministry counselled in favor of providing military supplies. According to Lewis, Israel, which expected an Iraqi victory, questioned the neutrality policy of the United States and thought that only the Soviet Union would profit by unrest in the Middle East. Ambassador Lewis concluded that there was no guarantee that, as the war progressed, Israel would not take steps to limit any long term damage resulting from an Iraqi victory.[24]

6. Israel's Second Request to Sell Arms, October 22, 1980

The Israelis informed the U.S. Embassy on October 22, 1980 that Israel had established contact with Iranians who were interested in purchasing arms from Israel.[25] The GOI Report indicates that:

> In October 1980, soon after the war started, there were signals—from both Iran and from Israel, which indicated the readiness of both sides to conduct arms deals. In Israeli embassies abroad (Paris, London, Turkey), enquiries were received from various mediators concerning the purchase of arms in Israel and their sale to Iran.
>
> With the encouragement of the Israeli government, an Israeli businessman who lived for many years in Iran renewed relations with Iranian military officials including the Deputy Minister of war for procurement, General Faribar, and also Colonel Rastin, Head of the Logistics Branch. General Faribar put him in contact with the official Iranian procurement representative in Europe—Colonel Sabahat. Together they conducted negotiations on the purchase of military equipment from Israel.[26]

The Israelis also told Ambassador Lewis that a deal for 200 new tires for F-4 phantom aircraft had already been negotiated and that a plane was to pick up the tires the next day.[27] The Israelis stated that they thought it would be important for Israel, both for its own interests as well as those of the United States, to establish relations and contacts with Iran. It was also suggested that these contacts could promote a more expeditious end to the hostage crisis.[28] Consistent with the promise to President Carter in April 1980, the Israeli government sought the approval of the United States for the transaction and noted that "I have no doubt that you will approve."[29] In his cable to the State Department, Ambassador Lewis, based on additional intelligence information, noted that the proposed Israeli shipment was to include 275 tires would take place on October 22, 1980 and would be transported by a private French carrier. Ambassador Lewis asked for instructions.[30]

On October 22, 1980, the State Department instructed the Embassy in Tel Aviv to convey the following message to the Israelis:

> You should make the following points through whatever channel you judge appropriate to Prime Minister Begin . . . We recognize the long-term significance for Israel's position in the Middle East of the opportunity to begin to restore an Israeli relationship with Iran, especially at a time when Iran is engaging Iraqi forces . . . The United States and all of its allies in Western Europe have rigorously prohibited the export of commercial and military goods to Iran while American hostages are held there. The United States in recent days has itself received a number of approaches from Iranian intermediaries for the supply

> of military equipment, some of them related to the release of the hostages. The position of the United States has consistently been when the hostages are released the United States could consider unblocking certain military orders stopped in transit . . . until the hostages are released to do so would be inconsistent with the position the world community as a whole has taken in support of international law and principles violated by Iran in the holding of the hostages . . . it would be difficult for the United States to understand if Israel were to break with the United States on this highly important issue without our having time to assess its impact.[31]

On the following day, Lewis met with a high level Israeli official and conveyed President Carter's wishes that all proposed shipments to Iran be postponed until the hostages were released. According to Lewis, the official reiterated his earlier view that such shipments could open a channel that could facilitate the settlement of the hostage crisis and that the United States was making a tactical error by not pursuing this avenue.[32] This official also stated that if Israel were permitted to consummate several deals under strict cover, it could take advantage of the resulting goodwill by suggesting that Iran address the hostage issue. At the same time that this meeting was taking place, Israel had already authorized on a one time basis the shipment of the 250 F-4 renewed tires to Iran.[33] In light of the position of the United States, Israel pledged once again to hold off on any arms shipments.[34]

7. Israel's Third Request to Sell Arms

On October 27, 1980, Ambassador Lewis met with Israeli Government officials to discuss arms shipments to Iran. The GOI first noted that on the heels of the October 22 shipment of F-4 tires, the Iranians requested that a second plane load be sent but the Israelis refused to send another shipment because of Israel's commitment to the U.S. Government on October 23, 1980.[35]

In reporting this meeting to Washington, Lewis wrote that the Israelis had said that the Iranians had made another important approach to purchase arms. The Iranians wanted artillery pieces and ammunition, "and we [Israel] have exactly what they want," said the Israeli official. "Even if they were to get Soviet equipment, they are not ready to use it, but because of our past relationship with them and the kinds of arms that they are used to employing it is precisely what we have that they want." [36]

According to Lewis, the Israelis also noted that:

> The Iranians approached us, we responded in the manner in which we have informed you. They now have followed-up in a very positive manner. Clearly, we are in a position—if we should meet their requests—to ask them soon to respond by releasing your hostages. This is truly a unique opportunity for you and for us.[37]

Lewis, who was personally convinced of the sincerity of the Israeli position,[38] wrote in this same cable that Israel believed it had to seize this opportunity because it was

> in their national interests and that in so doing they have every reason to believe that they will have performed a major service to us as well. The promise of a renewed relationship with Iran, which Israel for years has regarded as a fundamental element of their security strategy, has led them to justify this move as a potential service to us and, I believe, to actually have become convinced by their own rationalization.[39]

In an October 28, 1980 cable responding to Lewis, Deputy Secretary of State Warren Christopher wrote concerning the latest Israeli approach to provide military supplies to Iran:

> . . . please tell him that we are at a particularly delicate point in Iran's decision-making process on the release of the hostages and continue to need time to assess the implications of such a move on their release. We hope that the Israelis will not do anything in the next few days. Once our hostages are released, of course, the decision will be Israel's. Meanwhile, we appreciate

Israeli concern for the safety of our people. You might add as explanation our experience that those who are engaged in the search for arms are not necessarily fully supported by those at the center of the power structure in Tehran. We have found that it cannot be assumed that those purchasing arms can deliver in terms of enhancing a political relationship.[40]

In his deposition, former Deputy Secretary of State Warren Christopher explained why he sent this cable:

Q: And you sent a cable on October 28 of 1980 saying that you were—I'm paraphrasing—at a sensitive moment in the negotiation stages and that you needed additional time to study the Israeli proposal to send arms, but that once the hostages were released any decision to sell arms to Iran was up to Israel. Do you recall that?

A: I recall the general subject and we were awaiting the action of the Majlis, and we didn't want to do anything that would interfere with their taking the action that we were expecting. By that time we had become more or less resigned to having to wait for the Majlis to act on either the second or fourth of November.

So this telegram was a diplomatic way of saying to the Israelis, you know, please don't do anything now. After this is all over you can go ahead and reestablish your relationship with Iran.

One of the things that is not particularly well known—at least it surprised me when I first found out about it—Is that Iran and Israel have had quite a long history of [a] relationship of military supplies [sic], and Israel was very anxious to resume that relationship. But that telegram—I didn't remember the date, but that is the kind of thing I would be saying during that period.

First, we didn't like to have you selling arms, but, for heaven's sake, don't do it now, because we're at a very critical stage and we don't want to do anything to throw off the action the Majlis might take.[41]

The Israelis had the impression that the United States was taking the "next few days" to analyze their latest proposal. Consistent with this understanding, Ambassador Lewis was informed on November 6, 1980 that the Iranians "were pressing daily and very hard" for further shipments of F-4 Phantom tires and for artillery ammunition manufactured by Israel for use with Russian artillery owned by the Iranians.[42]

The GOI reminded Lewis that the United States had asked for a "few days" to consider all aspects of the situation, but that he had heard nothing more from the United States.[43] According to Ambassador Lewis' cable, Israel again restated the arguments in favor of the arms connection, including the possibility that Israel would be able to use its leverage to help obtain the release of the hostages.[44] Lewis again asked the Israelis to hold off. The Israelis agreed, and said Israel would make no further shipments. Ambassador Lewis ended his cable with the following comment:

If we are to hold the Israelis off much longer, we must be in a position to share with them a good deal more of our tactical pre-occupations involved in the hostage negotiations. Otherwise, the temptation and pressures will soon prove too great . . . to restrain his military colleagues.[45]

The GOI Report provides a similar account of these discussions:

Notwithstanding the decision to consent to the request of the Carter Administration, and freeze the aid to Iran, enquiries continued to arrive from various sources concerning the purchase of arms on the behalf of Iran. The overall scope of the proposed deals was approximately $200 million and therefore, Prime Minister Begin decided to raise this subject once again during his visit to the United States in November, 1980. The subject of the arms deliveries to Iran was in fact discussed between Prime Minister Begin, President Carter and Secretary of State Muskie. Mr. Begin stressed his opinion that the arms de-

liveries might also be of assistance in the release of the hostages.

Both sides agreed that as long as United States negotiations were taking place for the release of the hostages, no aid would be sent to Iran. However, both expressed their opinion that following the release of the hostages, there would be no reason to prevent arms deliveries from Israel to Iran.

During a meeting held upon the return of the Prime Minister from the United States (on 21 November 1980), Begin emphatically ordered that in light of United States policy, arms and equipment would not be supplied directly or indirectly to Iran until the release of the hostages.

A notification to this effect was passed on to all Israeli agencies in Israel and abroad stressing that the order should be strictly enforced. Still, the Israeli missions abroad reported that enquiries continued to arrive from Iran for arms assistance. These enquiries received a negative response.[46]

Throughout the fall and winter of 1980, the Israelis continued to press for some flexibility in the American position. In conversations with United States Embassy officials, Israeli Defense Ministry officials repeatedly inquired about changes in United States policy on Israeli arms transfers to Iran.[47]

On December 12, 1980, Ambassador Lewis was informed that Israel was receiving a "steadily mounting pile" of requests for sales of ammunition and spare parts to Iran.[48] In a cable to the State Department, Lewis described the key points of this discussion with the Israelis:

> . . . acknowledged readily that he had promised President Carter he would do nothing to respond to these requests so long as our hostages were still captive. But he wanted me to be aware of the pressures he was under from his own defense establishment to respond, "even if selling one item," in order to have an Israeli foot in the door for long-term Israeli political and diplomatic interests. Nonetheless, he reiterated his determination to do nothing until our hostages were freed in light of the President's request to him. He said, however, that he supposed we were aware there were various arms dealers in Europe who were in fact supplying spare parts and ammunition to Iran, whether with or without the approval of the various European governments (I understood his reference to be particularly to the French). I said that there could well be some such leakage through the arms dealer network, but that governments per se were standing firm with us.[49]

When the Carter Administration left office, United States policy had not changed. But the Israelis were also left with the impression that United States policy would become more flexible once the hostages were released.

8. Israel, Iran and the Reagan Administration

When President Reagan took office, United States policy toward Israel began to change. In the 1970's, Israel wanted to become a strategic military ally of the United States, but the Carter administration thought that such a relationship could jeopardize Middle East peace prospects. The Reagan administration saw the Israelis as potentially valuable strategic allies in the Middle East.[50] The Israelis believed that the leadership of President Reagan and the release of the hostages would free them to deal with the Iranians. However, this was not to be the case.

9. Israel Renews Request to Sell Arms, January 1981

On January 27, 1981, one week after the release of the hostages, the Israelis began to revisit the issue of arms sales to Iran in a conversation with Lewis.[51] In a January 28, 1981 cable to the State Department, Ambassador Lewis advised the new administration that it should expect a new Israeli approach on Iran arms sales.[52] In a February 4, 1981 cable, Secretary of State Alexander Haig told Lewis to inform Prime Minister Begin that United States policy had not changed. The United States still did not support the sale of arms to Iran. The key passages of the cable include the following:

Items which have already been purchased by Iran and are part of Iran's assets will be sold elsewhere and the proceeds made available to Iran. We do not foresee United States military equipment being shipped to Iran, and we are not prepared to approve or acquiesce in the transfer to Iran of any United States—origin equipment or military equipment subject to United States controls by any other country. Such transfer without USG approval would be a grave infraction of United States—Israeli agreements.

We appreciate Israel's refraining from shipping military equipment to Iran while our personnel were held hostage. Our position on the dangers of widening the [Iran-Iraq] war is unchanged. We continue to be opposed to and do not condone military help to either party from any quarter. We have made our position clear, in public and in private, to all our friends, and regret that France has begun shipping F-1's to Iraq. We strongly urge that Israel and all other nations continue to refrain from sending any military items to Iran.

You should indicate . . . that we will continue to keep under review the various factors involved in the Iran-Iraq war, including the military balance between the two parties, its overall effect on the regional balance, domestic political changes in either country, and our stakes in the area. In view of the volatility of the situation in the region, the stakes involved, and Israel's concerns, we will want to stay in close touch. Should new considerations arise affecting our position on the supply of arms to Iran we will consult with Israel promptly. In the meantime, however, we strongly urge Israel to refrain from supplying military equipment of any kind.[53]

On February 4, 1981, following receipt of this cable, Lewis informed the Israelis of the State Department's position. According to Lewis, the Israeli's were not pleased:

He listened carefully to my presentation which obviously was not what he was hoping to hear. He then reviewed the history of our discussions during the Carter Administration concluding with his conversation with President Carter in Washington in November, during which he had assured Carter that Israel would refuse any Iranian requests so long as the United States hostages remained captive. He said, however, that it was his clear understanding that once the hostages were released Israel would be free to pursue its own interests in re-establishing some kind of relationship with Iran via the arms sales route. He wanted Secretary Haig to understand that he had firmly resisted all pressures from his military to do anything vis-a-vis Iran until the hostages were freed, and that he had kept his word.[54]

The Israeli government's account of this meeting states:

On 4 February 1981, Prime Minister Begin met with United States Ambassador Lewis. Begin reported that in the meeting, Lewis stated, on behalf of the United States Secretary of State Haig, that arms with United States components should not be supplied and that the sale of Israeli arms should also be restricted "in order not to extend the war". Begin replied that future arms deliveries to Iran would not include United States arms or arms with United States components, and that only Israeli equipment would be supplied. Israel would also inform the United States in advance of the intention to send equipment to Iran.[55]

Ambassador Lewis also reported his conversations with an Israeli General, who stated that the Iranian requests were not just unofficial, but also "official." Lewis commented in a cable that,

Israel had been aware as early as last autumn that weapons were reaching Iran from both French and British sources via various arms dealers, and that Israel had ample experience with

dealing through clandestine third-party relationships on arms sales to have been able to do the same thing. The Israeli Government views . . . it vitally important to begin reestablishing some link with the Iranian military, looking to the post-Khomeini era.[56]

Later in February, Prime Minister Begin sent Foreign Minister Yitzhak Shamir to Washington, D.C. to meet with Secretary Haig because he was unhappy with the United States' position set forth in the February 4 cable. According to Haig, Shamir was told that while the United States could not prohibit sales by Israel to Iran of non-FMS items, the United States opposed any of arms deals with Iran and prohibited any sales of United States-origin arms.[57] Foreign Minister Shamir apparently heard Haig's message differently. He informed Prime Minister Begin that the United States objected to the sale of United States origin equipment, but did not object to Israel shipping its own parts.[58] The GOI Report of this meeting states the following:

> In a meeting held on 25 February 1981 between the Israeli Deputy Defense Minister, Mr. Mordechai Zipori, and Mr. William Brown, the Minister of the United States Embassy, the Deputy Minister repeated that Prime Minister Begin had assured Ambassador Lewis that if a deal would be conducted between Israel and Iran, the United States would be informed of it. In the meantime, he stated, no such deal took place since the deliveries were discontinued until the release of the hostages. Deputy Minister Zipori informed Mr. Brown that now, in talks between Foreign Minister Shamir, who was on a visit to the United States, and Secretary of State Haig, it appeared that United States opposition to deliveries had been rescinded. He also related that the sale of 106 mm recoilless rifles and Israeli manufactured shells is about to be concluded.
>
> Mr. Brown noted that he had not yet received any information regarding the talks of Foreign Minister Shamir in the United States
>
> At the end of the meeting, Deputy Defense Minister Zipori summarized his understanding regarding the deliveries to Iran: The arms deliveries would not include United States components, and Israel would give the United States prior knowledge of each delivery.
>
> In a report on the above meeting between Secretary of State Haig and Foreign Minister Shamir, it was stated that Secretary of State Haig had not responded negatively to Israeli contacts with the Iranians and to the possibility of the supply of military equipment to Iran. However, he expressed his concern that the entry of United States arms to Iran would result in a similar Soviet attempt. The Foreign Minister made it clear that supplies will not include United States equipment.[59]

Since the Israelis believed that Haig "had not responded negatively" to the shipping of Israeli arms to Iran, they used this perceived opening to begin shipping to Iran light arms and ammunition not subject to United States control.

Shortly thereafter, Deputy Defense Minister Zipori informed the United States Embassy about a pending shipment of Israeli-made arms through a third country to Iran.[60] Ambassador Lewis immediately sent a cable to Washington reporting this news. In a response, Secretary Haig stated that United States policy prohibited the sale of United States-origin arms and opposed any sales of Israeli-made arms.[61] The GOI Report indicated that:

> On 20 March 1981, a shipment of 60 106 mm recoilless rifles was sent in an aircraft from Israel to Portugal and then to Iran. Among the mediators of the deal was Ahmed Heidari.
>
> On 13 April 1981, another delivery took place which included [40 106 mm] recoilless rifles.[62]

Secretary Haig visited Israel in April to discuss a range of Middle East issues. In a meeting at the King David Hotel, the Minister of Agriculture, Ariel Sharon, raised the subject of selling arms to Iran. Once again, Secretary

Haig explained that United States policy prohibited FMS sales to Iran and opposed the sale of Israeli arms.[63]

Thus, for the first six months of the Reagan administration, United States policy regarding arms transfers to Iran remained essentially unchanged from that of the Carter administration. Indeed, a review of all intelligence data detailing arms shipments to Iran for this period of time reflects this fact as well. Given these facts and after he had reviewed the record of the dialogue between the Reagan State Department and the Government of Israel, Ambassador Lewis was asked his opinion regarding the possibility of a clandestine October Surprise related *quid pro quo* arms relationship among the United States, Israel, and Iran. Lewis did not believe that such an agreement could have been reached given the nature of the dialogue between the two governments:

> But, I do think that what happened in January or February does [prove that there was no Republican-Israeli summit]. That's my point. Because right after the election, right after the hostages were released on inauguration day, and of course we don't have the cables here to refresh my memory about this, but in someway shape or form, I got a message from the Israeli's that now that the hostages were released and assumed that the Reagan administration would no longer have any objection to arms sales. And I said—I don't know what I said, frankly, I said I'll check, probably. Mind you, I wasn't . . . I didn't really know the Reagan administration. I never met Al Haig or Reagan at this point, I had just been recently told that they were going to ask me to stay on but I didn't have the good sense on what was the policy. . . . I reported and I got an instruction back and it was that and I went in and then answered the question on February 4 and this is the cable that reports my meeting. And it's clear from what I reported, I don't repeat all the instructions. But, surely, State 28467 is an important cable from your point of view because that is the official guidance to me as to what I'm to tell the Israelis about the subject for the first time in the administration. And clearly it was no, we don't want you . . . you may not ship any United States origin items. Moreover, we still don't think it's a good idea for you to ship any items whether they're your manufacturer or anybody else's. We believe it's in our best interests and Israel's and the region's if neither side gets any arms and Israel wasn't happy about that reply. In fact, he was really quite surprised. He really was surprised. And then he goes on and goes back over the whole history of the discussions with Carter and what he assured Carter. He wanted Secretary Haig to understand he had firmly resisted all pressures from his military to do anything until the hostages were freed. And he kept his word and now there are new offers, new opportunities. And he goes through his usual arguments but I went over the message with him again and the instructions clearly, which he said he understood [to be that], under no circumstances, would Israel provide any military items of United States origin or United States origin components. But, [the high Israeli official] said well, alright, but I don't know if I want to agree that we can't sell anything of our manufacturer. I was under the instruction telling him that we didn't think you should sell anything. We can't stop you but that's against our policy. You should know that.[64]

Ambassador Nicholas Veliotes, a United States Foreign Service officer from 1955 until his retirement in April, 1986, worked in the Middle East and on Middle Eastern affairs during the last half of his career. In 1981 he was appointed assistant secretary of State for Near Eastern and South Asian Affairs. He served in that post until November, 1983, when he was named ambassador to Egypt. Because of his direct involvement in U.S.-Israeli issues, Ambassador Veliotes was asked for his views on the October Surprise allegations. He stated that he did not believe an October Surprise deal had been consummated. In reaching his conclusion, Veliotes, as did Lewis, focused on

the Reagan administration's early policies toward Iran:

> . . . [I]f the [Reagan] administration wanted to reward the Iranians in context of the October Surprise thesis, there were easier ways to do it.
>
> You could have, I suppose, come up with some reason for having to send them, at least some of the arms they had already paid for. They were stacking up in New York and starting to deteriorate.
>
> I mean after all, they had paid for them. These were international commitments. I mean you could have come up with something like that. The easiest thing to have done would have been to have overruled me and allowed the Iranians to get the $500 million that we had in our bank account as a result of an accounting error on behalf of those who were administering [the] Algiers' agreement before the hostages were actually released.
>
> My view on that was in essence, tough. Yes, probably their money, but we have got them, and if they want it, they better do something nice to get it. And all the White House had to do was to say, "No, that is not right. We have an agreement," or Al Haig could have said,"Oh, we can't do that. We have got an agreement."
>
> They [the Reagan Administration] were in no mood to do any favors for the Iranians at all.[65]

10. United States Considers the Transfer of Arms to Iran

In the summer of 1981, the Iran-Iraq war was not progressing well for Iran.[66] A Senior Interdepartmental Group (SIG) was established to review the United States arms policy toward Iran. Some State Department officials argued in favor of initiating arms sales to Iran to offset arms being sold to Iraq. Some in the State Department also believed that encouraging the transfer of non-United States arms to Iran by non-Communist nations would limit Soviet opportunities for involvement in Iran.[67] This position was opposed by the Joint Chiefs of Staff, but the SIG decided to recommend that open discussions with Israel be widened on the arms issue. At the same time Israel was again shipping arms to Iran. The GOI Report states that four arms shipments were sent to Iran in July. One involved the direct delivery of a field kitchen. The other three were arms shipments arranged by a Portuguese arms dealer, George Paniol.

> The aircraft which performed the three deliveries was a "Britiannia" aircraft owned by an Argentinean company called T.A.R.
>
> The aircraft was leased by a "West Africa Airline Ltd. Company" listed in Ghana and Switzerland. The Director General of the company was one Andreas Gennie.
>
> On 19 July 1981, the aircraft left Iran and on its way strayed into Soviet airspace and crashed. It was probably shot down by Soviet fighters. The aircraft crash resulted in a series of reports in the media regarding the arms deliveries from Israel to Iran and a wave of rumors on the subject.
>
> Following the aircraft crash, it was decided to abandon deliveries via air and transfer to deliveries via sea. The first shipment by sea to Iran took place on 19 September 1981 and included recoilless rifles and rounds. On 2 October 1981, another shipment was sent which included recoilless rifles and rounds.[68]

Meanwhile, throughout 1981, the Israelis continued in their relations with the United States to express interest in providing arms to Iran to maintain equilibrium in the Iran-Iraq conflict. Israeli officials informally told United States officials in October that Israel wished to provide United States-origin arms to Iran. According to Israeli officials, such transfers would improve Israel's access to and influence with "moderate elements" within the Iranian military.[69] They also argued that the stature of these moderate Iranians would be enhanced if they obtained badly-needed military hardware.[70] The United States Embassy in Tel Aviv

told the Israelis the issue should be raised formally with the State Department. The GOI Report states that:

> In a meeting between Prime Minister Begin and Secretary of State Haig in Cairo on 10 October 1981, Begin requested United States assent for Israel to supply Iran with items necessary for the operation of their aircraft. Secretary of State Haig said that he asked to examine the subject from a legal viewpoint, in a positive manner. However he requested clarifications if Israel was to be a channel for United States components to be transferred via Israel or if it referred to the transfer of United States components from Israel which would be replaced by the United States.[71]

In a November 4 meeting with Ambassador Lewis, the Israelis stated that they had shipped to Iran approximately $60 million worth of Israeli-manufactured arms, consisting mainly of ammunition not subject to United States control.[72] Ambassador Lewis was assured that Israel was not dealing with Ayatollah Khomeini or Iranian clerics, but rather with responsible members of the military. The Israelis again sought United States approval for shipments to Iran, citing two objectives for a new arms relationship: (1) to remain in contact with the Iranian military, the only barrier against a communist takeover in Iran; and (2) to cooperate on intelligence matters with the Iranians and to share the results with the United States.[73]

Secretary of State Haig sent a cable to Lewis on November 17, 1981 setting forth the conditions under which the United States would authorize the transfer of any United States-origin or United States-controlled arms to Iran:

> You are authorized to (convey) . . . that we are prepared to approve his request to transfer to Iran certain spare parts for United States-origin military equipment, subject to the following limitations: (1) the equipment transferred may come only from existing Israeli stocks which were purchased directly from United States manufacturers and exported through commercial channels or new purchases on a commercial basis. (FMS purchases and items exported through DOD channels would be excluded.)[74]

Haig also stated that the value of any shipments should be less than $25 million and that the United States should be provided with a list of the proposed items for sale.[75] In a December 1 meeting with Israeli Minister of Defense Ariel Sharon, Secretary Haig formally conveyed the position of the United States. In this meeting Sharon asked whether Israel could ship F-4 spares, as well as other United States-origin items to Iran, and whether the United States would replace those items in the Israeli inventory.[76] Secretary Haig agreed in principle to a one time transfer, but stated that certain requirements had to be met: the United States must receive a list of the items involved; only F-4 spares could be shipped (modifying his earlier position); the shipment had to have a total value of less than $25 million; and the United States needed to receive some intelligence in return.[77] The Israelis were also told that only items acquired through commercial purchases from the United States could be shipped and that Israel, not the United States, would pay for replacement of the items.[78]

The GOI report reflects Israel's understanding of the December 1, 1981 agreement. The report notes the following:

> On 5 December 1981, the Defense Minister Mr. A. Sharon reports of his discussions with the United States (not specified with whom) regarding the continued supply of United States spare parts which should not total more than $25 million in accordance with United States Congress legislation).
>
> In an oral message to the Defense Minister from William Brown, the United States permitted the sale of the equipment to Iran, including the United States produced items, subject to the following conditions:
>
> The United States requested to receive prior to each shipment, a list of the United States equipment due to be sent to Iran, including the purchase price in the United States and also the cost of the Israeli produced arms.

> An additional condition was that the United States arms would not belong to the F.M.S. framework. On the other hand it would be allowed to sell without restriction, United States weapons purchased on a trading basis in free dollars. If artillery was to be included in the $25 million shipment, it could not total more than $7 million.[79]

According to Ambassador Lewis, the United States government had learned that the Soviet Union was selling [specified military equipment] to Iraq.[80] During the fall of 1981, the United States was trying to obtain a certain piece of Soviet military equipment. There was a possibility that the United States could obtain this equipment from Iraq in exchange for 175 mm artillery.[81] United States and Israeli officials discussed whether the United States would approve Israeli sales to Iran and Israel would "agree" to the American transaction with Iraq.[82] The GOI Report states that:

> In a cable from Israel's ambassador to the United States, Mr. E. Evron, to Prime Minister Begin on 15 October 1981, it was reported that Secretary of State Haig informed him of an Iraqi proposal to provide the United States with [specified military equipment], and in exchange it requested 24 175 mm guns. Haig wanted to link the decision to sell United States arms to Iraq with the approval for Israeli arms sales to Iran. He requested Israel not to oppose the supply of arms to Iraq, in exchange, the United States would agree to the sale of United States equipment to Iran.
>
> In a cable dated 18 October 1981 from Ambassador Evron to Prime Minister Begin, it was stated that Secretary of State Haig was finding it difficult to obtain approval for the sale of F-4 spare parts but assured that they would not be sold if approval was not granted.
>
> At the same time, the Prime Minister stressed that Israel could not agree to the sale of artillery batteries to the Iraqi army.
>
> In a cable from 26 October 1981 from Ambassador Evron to Prime Minister Begin, Evron stated that Defense Secretary Weinberger outrightly opposed the supply of F-4 spare parts to Iran and that Secretary of State Haig was still trying to receive approval for this. He added that the supply of arms to Iraq had already been decided upon by the President. The United States also asked for details on who where [sic] Israel's contacts in Iran. In his reply (29 October 1981), Mr. Begin clarified that the Israeli contacts were with military officials and not with Khomeini and his men.[83]

By mid-December 1981, however, the United States intelligence community had decided that any transaction with Iraq was not in the best interests of the United States, and the issue was dropped from consideration.[84] In addition, components of the United States government had also raised questions about the Israelis' ability to provide useful unfiltered intelligence about events in Iran.[85] As a result, during their next meeting, in mid-January 1982, United States officials expressed to Israeli officials reservations about any arms deals between Israel and Iran.

In a meeting in Jerusalem on January 14, 1982, Sharon asked Secretary Haig to approve a shipment not only of F-4 spares, but also of heavy artillery pieces and ammunition. Secretary Haig reiterated the United States position that only F-4 spares could be transferred provided they came from commercial sources. No approval was given for any other items.[86] As required under the terms agreed in the December 1, 1981 meeting, Israel provided a list of items to be shipped to Iran. The list was unacceptable to the United States because it contained ground equipment and spares for all aircraft (including F-14's and F-5's) in the Iranian inventory. Minister Sharon was told that the United States would not approve any transfers until a suitable list was provided.[87]

Over the next several months the Israelis sent numerous lists, repeatedly including FMS items and material other than F-4 spares.[88] In numerous cables to Tel-Aviv, Secretary Haig told the Israeli government that the lists in-

cluded unauthorized items and would not be approved.[89]

In his deposition, Department of State Iran Task Force Member David Satterfield described the sequence of events as follows:

> We had left it with the December 1st Haig approach to Sharon. In January of 1982, the . . . deal fell through [with Iraq]; I think January 8th or 9th was the date that that collapsed. January 14th, Sharon gave Haig the list which we had requested, of items which Israel proposed to transfer to Iran. Unfortunately, the list consisted of spares for F-14's, F-5's and ground troop equipment in addition to the F-4 spares. Haig told Sharon the list was not acceptable, that it fell well outside the parameters made explicit in the December 1 demarche.
>
> January 27 a new list was provided, also unacceptable, very unclear from the list exactly who had originated the equipment, how it had been acquired; that is, by FMS as opposed to commercial sale, if it was United States origin at all. It contained items which we believed fell outside the parameters of the account.
>
> Over the course of January, February, beginning of March '82, there were a succession of exchanges back and forth on the question of lists. At no point was a list ever submitted which fell within the parameters of the December 1st demarche. There was increasing frustration on the United States side in the lack of understanding demonstrated by the Israelis in complying with our requirements. There was growing concern with whether or not we were going to be presented with a *fait accompli* based on one of these lists; that the Israelis would claim that because they had showed us a list that we had approved, notwithstanding the explicit instructions repeated at numerous intervals over the December to March period. There was growing concern raised as grave reservations and serious doubts as to whether or not this was all worth a candle.
>
> With the collapse of the Iraqi sale in January, one of the concrete *quids* for going ahead with this, which may have persuaded some reluctant parties to grudgingly accede to pursuing the possibility of a transfer went away. By March the arguments had shifted comprehensively against proceeding with any authorization. The Israelis had shown they were either unwilling or unable to come up with a list that fell within our boundaries. The lists were very ambitious in terms of scope of material, were very ill defined in terms of what this equipment was by origin or by nature of acquisition.[90]

In addition to the problem with the Israeli arms lists, press reports that the Israelis were selling arms to Iran had raised serious doubts in the United States government about he wisdom of proceeding with the Israeli initiative.[91] There were also concerns that Israeli ties to the Iranian military had not turned out to be as productive as expected. This conclusion was supported by the fact that Israel acknowledged that it was dealing with Iranian middlemen, rather than with key Iranian officials. Finally, public comments on British television by David Kimche on Israel-Iran arms links had increased congressional and press scrutiny of possible United States involvement in transfers of arms to Iran.[92]

In a March 10, 1982 memorandum, Haig informed the Israelis that, while not retreating from prior commitments, it was unlikely that the United States would approve any F-4 parts transfer in excess of $500,000.[93] Ambassador Lewis was instructed on March 30, 1982 to "share United States misgivings" about the program, and express "serious doubts" whether the project could yield the benefits necessary to justify going forward.[94]

In light of growing concerns about Iranian victories in the war, Lewis was given another instruction on May 1 to inform the Israelis that the United States would not approve any transfers of United States-controlled items, including F-4 spares, to Iran.[95] In a May 6, 1982 meeting, the Israeli's stated they understood

the United States' position and that, while they needed to discuss the issue with the Defense Ministry, they did not think any arms had been shipped to Iran without United States approval.[96]

The Israelis informed Lewis on May 7 that from "March 1981 through March 1982," any items shipped to Iran by Israel "were sent with United States approval." [97] From May 7, 1982 forward, Israel "would send only limited items and there will be absolutely no United States-furnished components involved." [98] On May 27, Defense Minister Sharon stated publicly that the United States had been informed in detail and in advance of all military shipments to Iran, had not objected to these shipments, and had received lists of everything transferred.[99] The Israelis told Lewis on May 31 that Sharon was referring to items "not subject to United States controls," and that if any United States-origin material had been transferred, it was without United States approval.[100] In communications with the State Department, Lewis noted that it was possible the Israelis may have taken the United States' approval in principle for such sales as a "green light," our explicit requirement for prior approval notwithstanding.[101]

The GOI Report describes these events as follows:

> In May 1982, Defense Minister Ariel Sharon visited the United States. During his visit, he made an effort to persuade the Americans of the importance to continue shipments to Iran. During his talks, deliveries containing United States components were also discussed.
>
> As is known, during his visit to the United States, Mr. Sharon gave an interview to the "Washington Post" in which he revealed that Israel had assisted Iran in military equipment deliveries. He stated that the arms shipments from Israel to Iran were conducted via a third country, with the approval of the United States who were informed of all of the deliveries. He also said that the United States had allowed shipments which included tyres [sic] and spare parts for the F-4 fighter bombers.
>
> In the same effort, a senior official from the United States State Department was interviewed. He stated that the United States authorities had virtually approved the shipment of controlled United States military items to Iran. He added that the United States expressed its desire that Israel should refrain from sending arms to one of the sides of the dispute, and that Israel had reported on sales totalling $21 million.[102]

Israel subsequently gave the United States two lists of equipment which it claimed had either been sent, or was supposed to be sent to Iran. According to David Satterfield, it was impossible to determine how many of the items listed (which totaled $53.1 million) were covered by United States export controls, although Israel indicated that the list of arms already sent to Iran contained "many" United States-origin items.[103] In response to press inquiries at the time, the United States government stated that Israel had requested United States approval for sales of United States-controlled items to Iran, but that no approval had been given.

From 1980 through the beginning of 1983, Israeli sales of military and military-related equipment to Iran totaled just over $180 million. Many of these shipments were known to but not approved by the United States government. United States government intelligence reports suggest that Iran's worldwide arms purchases during this period totaled almost four billion dollars—mostly from communist-bloc countries.[104] The Task Force could find no documentation authorizing the sale of United States made arms to Iran via Israel. Rather, the Task Force determined that any arms shipped to Iran via Israel was done unilaterally by Israel or as a result of miscommunications between the United States Department of State and the Government of Israel.[105]

In his deposition, David Satterfield was asked about the claim by some proponents of the October Surprise theory that there was another channel, apart from government-to-government links, through which an arms *quid pro quo* arms could have been carried out:

> Q. Do you therefore discount the possibility that there could have been

an alternative channel of communication to the Israelis, rumors that have circulated that perhaps a McFarlane or White House channel—do you discount that?

A. I would have to repeat, nothing I have seen throughout that period of time would lead me to even suppose, to suspect that such a channel existed. If your follow up is why would that be, it is because either the documents that I reviewed, many of which were extremely sensitive and extremely closely held, were written in ignorance of this purported channel, genuine ignorance or were incredibly carefully drafted to exclude any possibility of reference to it.[106]

Satterfield said he did not believe the cables were carefully drafted to avoid detection. He stated that in the Iran-Contra case, the cables reflected the fact that questions were being raised about arms being sent off-channel. In this case, he testified that there was no such cable traffic.

Finally, Ambassador Veliotes, who was aware at the time of arms sales to Iran through Israel, was asked to comment on the possibility of a back-channel link between these transactions and the hostages.

A. I just think that the amounts are so small, compared to the need. I just can't see how it could be seen as a payoff of any kind. The Israelis had their own good reasons for wishing to establish and maintain contact with these military procurement people, and that is—whom they saw either as a successor to the Khomeini regime, or points of significant influence in the Islamic Parliament. And we have discussed these reasons. It just—it just doesn't make sense to me.

Q. The reason I raise it is, in an investigation of a conspiracy, one always wants to make sure that they have covered all of the aspects.

A. No. I understand that, but when you think of the amounts of money involved, you know, we—I am in the book world. My educational publishers come up with new reading programs for first grade to six grade and they present them to states hoping the states will approve them for sale.

One of my publishers spent $60 million for a new reading program for elementary schools. You know, $23 million or something trickling over into a country that had an army of what, a million men on the border?

That is not very much. It just seems too piddly that it could be seen as a payoff. I would have to discount it if on no other grounds, just on those grounds.[107]

Ambassador Veliotes concluded that the October Surprise allegations were the product of an effort to take a series of facts and link them together in a plausible way. When the facts were examined closely, he testified, they did not support the October Surprise thesis.

After an analysis of all of the American and Israeli documentation, the Task Force has found no evidence to support the proposition that arms were sent to Iran to complete a bargain to delay the release of the hostages. The Task Force believes that if such an back-channel arms delivery system existed, United States embassies or intelligence stations in the region would have raised questions in their cables. Cable traffic reviewed by the Task Force contained no reports of arms flows to Iran other than those described in this report. Given the publicity surrounding these deliveries and their relatively small value [108] and battlefield impact, the Task Force concludes that these arms shipments cannot fairly be construed to constitute an October Surprise *quid pro quo.*

C. Department of Defense

To determine whether arms were shipped to Tehran from other sources pursuant to an October Surprise *quid pro quo,* the Task Force reviewed documents within the custody or control of the Department of Defense (DOD). Forty-seven organizations within the Department of Defense conducted a worldwide search for records relating to the Task Force document production request. Documents retrieved were topically indexed for review. Approxi-

mately 17,000 documents were indexed and reviewed.

The document review process allowed the Task Force to piece together a comprehensive picture of Iran's foreign arms procurement since 1980. The Task Force determined that Iran's arms procurement efforts were conducted through a maze of quasi-governmental and governmental trading companies. Western arms embargoes, domestic economic difficulties, and Iran's need for military hardware and related equipment from western suppliers forced Tehran to rely heavily on illegal, privately brokered arms transactions in what is generally known as the "gray market." Documents reviewed by the Task Force established that Iran sought arms in many countries of the world.

Documents developed by overseas DOD officials refer frequently to Iranian efforts to acquire arms through all sources available to them once the arms embargo had been imposed. The Task Force reviewed all of these reports and identified twenty-nine countries from which Iran was able to acquire arms, either directly or indirectly through third-party sources.[109]

The Task Force reviewed a number of reports that suggested Israeli participation in or knowledge of arms shipments to Iran. The Task Force also reviewed records of alleged actual arms deliveries to Iran, as well as records of private arms negotiations between Israeli businessmen and Iranian military personnel.[110] The documents reviewed by the Task Force show that the reports of alleged and/or actual arms sales from Israel to Iran remained small but steady during the 1980–1981 period, peaked during the 1982–1983 period, and then steadily declined from 1984 to 1986. The documents also suggest that arms sales through third parties followed a similar pattern.[111] Department of Defense never placed any dollar amounts on these shipments.

Documents reviewed by the Task Force also suggest that there was an ongoing dialogue within Department of Defense regarding United States arms policy toward Iran. For example, in several memos senior Department of Defense officials expressed displeasure with the Joint Chiefs of Staff's opposition to a proposed National Security Decision Directive (NSDD) that would permit transfers of non-United States arms to Iran by European allies and other countries. These officials argued that, while no United States-origin arms should be provided to Iran, third-party country transfers should not be discouraged. Notwithstanding this debate, United States policy continued to forbid the transfer of United States arms to Iran and continued to discourage third-country transfers of non-United States arms. Indeed, in memos dating from January 1981, a Department of Defense interagency task force reported to the Secretary of Defense its unanimous view that United States policy should continue to prohibit arms deliveries to Iran, including equipment already paid for by the Iranians.

The Task Force's review of Department of Defense documents underscored the strong anti-Khomeini sentiments within the Reagan administration. The Defense Department's goal was to "dry up" all military supplies to Iran.[112]

The Task Force interviewed officials in the Defense Security Assistance Agency (DSAA). DSAA coordinates the purchase of arms and other technology by foreign governments. DSAA does not actually ship items purchased, but monitors the activities of American arms dealers and the payments of foreign governments.

Interviews with DSAA officials, including Director of Operations, H. Diehl McKalip, as well as Task Force document reviews, indicate that there were no FMS sales to Iran once the embargo was imposed by President Carter. Furthermore, prior to the embargo DSAA had restricted arms shipments to Iran because it had not paid billions of dollars in outstanding bills. DSAA officials said they would have objected vigorously to any arms sales to Iran because of its unpaid FMS debts.

The Task Force also examined whether Israel had filed FMS requests in excess of its needs, which might indicate arms transfers to Iran. DSAA officials stated that they monitor Israel's requests because DOD does not want foreign countries to profit financially by buying parts in the United States, reassembling them overseas, and reselling the finished item. DSAA officials stated that, while they saw intelligence reports indicating Israeli arms sales to Iran, there was no evidence that Israel was buying FMS arms in excess of its needs.

Finally, none of the Department of Defense records reviewed by the Task Force revealed

any evidence to support the allegations under investigation. There is no doubt that DOD was aware of reports of arms sales to Iran, particularly by Israel. None of these reports suggest, however, that any of these transactions were part of a *quid pro quo* between the Reagan administration and Iran.

D. October 22-23, 1980 Arms Deal

1. Overview

As stated earlier, central to the October Surprise allegations is the question of whether known arms sales to Iran could be said to have been arranged as a *quid pro quo* for an agreement to delay the release of the hostages. One documented transaction, involving the delivery of arms from Nimes, France to Tehran on October 22, 1980, has figured prominently in the October Surprise allegations.

2. Background

In the summer of 1980, Iran was trying to acquire arms from European arms dealers in an effort to fill gaps in its arsenal. Iran's eagerness for arms was increased by the growing tensions between Iran and Iraq and the Iraqi invasion in September, 1980. As early as the spring of 1980, Iran had begun to develop lists of items for which there was a specifically identified need.

To obtain arms, the Iranian Defense Ministry retained the services of a number of individuals, including Ahmed Heidari, who was given responsibility for overseeing arms procurement efforts. Heidari worked in concert with Karim Minatchi and an Iranian company, Interparts, to set up to acquire the necessary military equipment.

Heidari tried to acquire arms through all channels available to him. One such channel was the French cargo transport company, SETI International, headed by Yves DeLoreilhe. SETI, in turn, contracted Charter Masters Company, S.A., another French company specializing in the delivery of difficult air cargo orders. Jacques Montanes was the president of Charter Masters. Although SETI and Charter Masters were experienced in the transportation of military equipment, neither had much experience in the acquisition of such equipment. Two other men, Roger Faulques and Pierre Gaudinat, were contacted for their arms acquisition expertise. In the summer of 1980, probably in August, a meeting was held in Paris to discuss the possibility of acquiring and delivering military equipment to Tehran. Present at this meeting was Minatchi, Heidari, Montanes, DeLoreilhe, Faulques, and Gaudinat. An agreement was reached in principle, and the parties set in action a plan for the delivery of the desired equipment to Tehran.

Task Force counsel interviewed most of the participants in this venture in order to determine whether this or any related deals were related in any fashion to an October Surprise *quid pro quo*. The account of each individual is analyzed below.

3. Participants

a. Roger Faulques

Roger Faulques [113] is a professional soldier. He served with the French Foreign Legion from 1943 to 1961. He fought as a mercenary in the Congo from 1961 to 1962, in Yemen from 1963 to 1967, and in Biafra in 1967 and 1968. Faulques stopped fighting in 1968 and began working on civilian construction jobs for French companies in Iraq, Libya, and Saudi Arabia. He is now retired. [114]

With respect to the arms deal described above, Faulques said that he was invited to participate in the Paris meeting at the behest of Pierre Gaudinat. Gaudinat advised Faulques that some Iranians were interested in acquiring spare parts for Boeing 747 Jumbo Jets, military aircraft, and tanks. Faulques attended the meeting in the summer of 1980, prior to the Iraqi invasion of Iran. The meeting lasted approximately four hours. While he could not recall the names of the Iranians who participated, he said that one of them described himself as being empowered by Khomeini to reach agreements necessary to acquire the needed weapons. [115]

The Iranians explained that their military was having difficulty maintaining their aircraft because key personnel responsible for maintenance had fled after the departure of the Shah, taking computerized spare parts inventories with them. Civilian and military aircraft had

been sitting for months without required routine maintenance. In addition to parts, the Iranians were looking for technical crews to overhaul engines that had been idle for months. Faulques was asked if he could locate a computer specialist to resolve their technical problems and acquire the necessary parts. The Iranians produced a ten-page computer printout listing the equipment needed. Faulques advised the Iranians that he could not assist them and departed. He had no further dealings with the Iranians or anyone else connected with the deal. [116]

In his book, *October Surprise,* Gary Sick writes:

> Heidari and Faulques reached an agreement in principle, subject to financial and technical arrangements, but Faulques insisted that he would do nothing without at least tacit approval by French intelligence.
>
> To that end, a representative of Faulques met with Alain Gagneron De Marolles at the latter's home near Bordeaux in early September. De Marolles was the director of operations in the Service Documentation Exterieur et de Contre-Espionage (SDECE), the French Secret Service, and a principal deputy to Count Alexander de Marenches, the SDECE's head. [117]

Faulques specifically denied any such involvement with Heidari. He swore that he never contacted personally nor sent a representative to meet with De Marolles. He stated that he has never met De Marolles, [118] and had never sent a "representative" to do so. [119] Faulques said that he had never traveled to Iran, and produced his passport as evidence. He added that, with the exception of one Paris meeting, he had no involvement with the shipment of military spare parts or equipment to Iran. Furthermore, he stated that he knew nothing to indicate any relationship between this meeting and an alleged October Surprise *quid pro quo.* [120]

b. Pierre Gaudinat

Pierre Gaudinat [121] worked for Air France for 20 years. He served as airport station manager in Istanbul, Warsaw, and Tel Aviv. He retired from Air France in 1977. [122] In late 1977 and early 1978 he founded a delivery company named International Contact Service (ICS). ICS delivered mechanical parts and shipping documents to inaccessible locations in a shorter period of time than normal postal service. Gaudinat met Jacques Montanes in 1979. [123] Montanes also specialized in air transport. In early 1980 Montanes proposed to Gaudinat that they do business together. Montanes told Gaudinat through a contact, Yves DeLoreilhe, that he had the possibility of servicing a delivery contract between France and Iran. Montanes believed that the contract could be very lucrative. Gaudinat decided that he would meet with Montanes and his Iranian contacts. Gaudinat invited Faulques to participate in a meeting scheduled for the spring or summer of 1980 in Paris. Faulques flew from Spain to join the meeting. [124]

In addition to Gaudinat, the meeting included Minatchi, Heidari, DeLoreilhe, [125] Faulques, and Montanes. [126] Heidari showed the group a multiple-page listing of spare parts sought by Iran. Heidari also mentioned that he wanted three people to come to Iran to review its computer inventory system. [127] Gaudinat said that the list was unusable because the spare parts contained no reference number. [128] According to Gaudinat, it was not clear at this juncture whether the proposed transaction violated the arms embargo. It was agreed that Gaudinat would use his contacts [129] to determine the view of the French Defense Ministry on the proposed deal. Gaudinat called a contact within the Defense Ministry and asked, "Could you come out, I'd like to have a drink with you and I am concerned by a problem, maybe you could help me out." [130] An unidentified official told Gaudinat that the Ministry would "give me a call." [131] During a second meeting, a Defense Ministry official told Gaudinat, "If you go to Iran to organize the recruiting of three specialists to put order in the stock of armament we have nothing against it. It's better for us to see French officers in Iran because we are confident that everybody is disorganized since Khomeini came to power. So just as well. So green light. But no paper. If you asked, they know nothing. They never saw me and they never told me anything." [132] Gaudinat stated that he tried to talk to DeMarolles about this matter, but that the latter had already been dismissed from the intelligence service. [133]

With an unofficial green light from the Defense Ministry to send technicians to Iran, Gaudinat, Montanes, and DeLoreilhe left for Tehran to study the computer inventory system. They were met by Heidari and Minachi and taken to meet an Iranian colonel, introduced as a "Minister of Defense".[134] The discussion turned immediately to the need for Scorpio tank engines, ammunition, and other armaments. This worried Gaudinat, because neither DeLoreilhe nor Montanes had any experience in acquiring this type of equipment. Gaudinat suggested that he thought the purpose of the trip as represented by Heidari to the Iranians was different from how it had been represented to him. When Gaudinat indicated his lack of interest, he was allowed to return to France.[135] Once in France he met with a retired French military officer who was also involved in the project. Gaudinat told this officer that the project was doomed to failure and that he had washed his hands of the deal.[136] To the best of Gaudinat's knowledge, the officer continued on with the project.

Gaudinat said that Montanes and DeLoreilhe remained in Tehran for a long time—until the engines could be delivered. In effect, when the Iranians learned that the desired equipment could not be acquired, they revoked the passports of Montanes and DeLoreilhe.[137] An *ad hoc* tire deal was arranged by SETI in order to "buy time" while the engine deal could be put together.

A few weeks after his return from Tehran, on approximately September 14, 1980, Gaudinat was contacted by Montanes' assistant, Jean Bourquin. Bourquin told him that he had been asked to transport 5,000 kilos of retreaded Phantom Jet tires from Tel Aviv to Tehran. He asked Gaudinat if he would take this flight. Gaudinat agreed. He recalled that he flew on a Caravelle plane to Tel Aviv. When the plane arrived in Tel Aviv, it was taken to a secluded part of the airfield and surrounded by Israeli troops. The cargo compartment was loaded with retreaded Phantom F-4 tires. Gaudinat spent the night in the cockpit. The next morning the plane was flown by the SETI pilot nonstop to Nimes, France. After 2-3 hours on the ground, the cargo was loaded on a DC-8 LuxAir plane and flown to Iran.[138]

Gaudinat told Task Force counsel that after the tire deal was completed, SETI representatives were called to the French Ministry of Defense and were told to stop dealing with Iran because "our American friends were fed up."[139] When asked what he understood this to mean, Gaudinat said he believed that the United States had monitored the shipment and sent word back through the French Defense Ministry that it wanted this sort of activity shut down. As it turned out, this was the last deal with which he was involved.[140]

Gaudinat offered that he had no specific information on whether there was a relationship between the October tire deal or any of the SETI deals and the American hostages. However, he indicated that no Americans were even present at any meeting at which any of the arms deals were discussed.[141]

c. Jacques Montanes

Jacques Montanes[142] is the president and General Manager of Aero Cargo International, a Paris-based firm. During the 1970s and the early 1980s, he was president of the French cargo company, Charter Masters. Charter Masters specialized in difficult international cargo deliveries. Montanes had extensive prior experience in Iran, which prompted SETI International to seek to collaborate with Charter Masters. Montanes described the relationship among DeLoreilhe, Gaudinat, Faulques, Heidari, Minachi, and himself to Task Force investigators.[143]

Yves DeLoreilhe contacted Montanes because of prior cooperation between SETI and Charter Masters on a delivery of cargo to Africa and because Montanes had previously made trips to post-revolutionary Iran to remove equipment and tooling related to Airbuses leased by Iran under the Shah. In June 1980, SETI initially proposed that Charter Masters organize the transportation[144] to Iran of equipment based in Lisbon. Charter Masters was asked to arrange seventy flights between Portugal and Iran involving Boeing 707 freighters. These seventy flights were never made because Iran could not provide a $200 million letter of credit.

Following this failure, SETI and the Interparts representatives, Minachi and Heidari, met in Paris between July and August, 1980 to arrange a new arms link between Europe and Iran. They agreed in an August meeting that a team of experts should be dispatched to

Tehran to assess Iran's military and technical needs. On September 14, 1980 Montanes, Gaudinat, and DeLoreilhe travelled to Tehran to make a technical assessment. Meetings were held between civilian and defense ministry personnel and the European technicians. A comprehensive list of needed military equipment emerged from these meetings. In light of the Iraqi invasion, the parties agreed to expedite the delivery of the most urgently needed equipment: the Scorpio and Chieftain engines. The army approved the contract and a contract was made with the SICAM company in Monaco for 50 J-60 Scorpio engines and 18 MKBA Chieftain engines. SICAM indicated that it would take approximately three weeks for delivery.

Invoices were prepared by Heidari and presented to the army for approval. Funds were delivered to SETI's correspondent banks in Switzerland, based on an invoice prepared by Heidari.[145] Ali Reza Nobari of Bank Markazi was concerned about the absence of any collateral or other financial guarantees by SETI to ensure delivery of the purchased equipment. As a consequence, Nobari had Montanes' and DeLoreilhe's passports revoked pending delivery of the goods.

When the funds arrived in Switzerland on October 11, 1980, thirty percent was removed to pay the middlemen for the Scorpio engines. The remainder was to be paid upon delivery. The Chieftain engines were not delivered within the time period required in the contract. As a result, Heidari arranged for the replacement of the 18 Chieftain engines by other equipment of interest to the Iranian Defense Ministry. This included: F-4 tires; spare parts for M60/M48 tank engines; and field batteries for transmissions. In the meantime, SICAM purchased additional spare parts for M60/M48 engines from Alberto Ghiraldi in Milan, Italy. SETI, on the other hand, worked with Israeli diplomatic representatives in Paris. Israel, SETI was told, was interested in filling the void. The complete inventory of parts needed by Iran was sent to an "Israeli diplomat."[146] In a meeting with an Israeli representative, Heidari expressed his willingness to allow Israel to complete the contract if Israel would show good faith by delivering some equipment to Tehran. Israel agreed to send F-4 tires and Tampela mortars. A transfer of $250,000 was made on October 21 to the Israeli purchasing mission. A second $80,000 payment was made several days later.[147]

On October 23 a Caravelle owned by Aerotour, a French company, was chartered to pick up the equipment in Israel. Gaudinat was on this flight. The plane flew from Paris to Israel, where, in contravention of the terms of the deal as understood by Montanes, only 250 F-4 retread tires were delivered. No mortars were ever produced. Once loaded with the retread tires, the plane flew to Nimes, France, where the cargo was loaded on a DC-8 along with other military equipment previously contracted for by SETI and Interparts.[148] With Jacques Masson, the director of SICAM, on board, the plane then departed for Iran, where it was unloaded in Montanes' presence. While this transaction did not fulfill the terms of the SETI-Interparts contract,[149] it ended the involvement of Israeli representatives in the deal. Over the next eight months all of the engines [150] originally contracted for were eventually delivered with the assistance of a second arms dealer, Horst Von Hajik, thus ending SETI's and Charter Masters' dealings with Iran and the delivery of military equipment.[151]

Montanes was repeatedly questioned about any part this particular transaction may have played in a hostage-delay quid pro quo. Montanes testified that, to his knowledge, this arms deal had no connection with the October Surprise allegations:

* * * * *

> Q: . . . My question to you was throughout this entire transaction, both in Iran or France or anywhere else, did anyone discuss with you that the transaction, that you were involved in October and ending in May, October 1980 and ending in May 1981 had anything to do with the hostage situation?
>
> A: None at all.[152]

* * * * *

Montanes went on to add that while he understood the argument that the delivery of arms in mid-October would serve as a taste of things to come if the Iranians were willing to delay the release of the hostages beyond No-

vember, 1980, he saw "nothing to really substantiate it." [153]

On a related note, Montanes, who had befriended Ghotbzadeh during his [Montanes'] period of captivity in Iran, was asked whether Ghotbzadeh ever advised him that a relationship existed between his arms deal and an alleged deal to delay the release of the hostages, Montanes testified as follows:

> Q: But, just to bring this portion of the questioning to an end, did Ghotbzadeh ever tie your transaction to some deal between the Iranians and the Republican party.
>
> A: Not that I know.
>
> * * * * *
>
> Q: But Ghotbzadeh never linked your deal with the Republican contact that he believed were taking place?
>
> A: Never.[154]

According to Montanes, his October 1980 arms deal was a business arrangement between SETI and Iran. The purpose was to make money. It never had any connection to the American hostages to his knowledge. With respect to related or subsequent arms deliveries, Montanes stated that he was still being held in Tehran after January, 1981, and spent a good deal of his time waiting at the airport for the delivery of the engines that would consummate his deal. His testimony on this point was that throughout the entire period of time he spent in Tehran between January and June 1981, at no time did he see any American made or retrofitted equipment entering Marabbad Airport.

> Q: And so between January and June, did you see any. . . .
>
> A: I didn't see any stuff [American made or retrofitted arms] enter Tehran Marabbad Airport.
>
> Q: That's what I am saying, actually, the stuff that you personally could have witnessed, your testimony is that you saw, your statement is that you saw no such stuff?
>
> A: No such stuff, at Tehran Marabbad Airport.[155]

d. Ahmed Heidari

Ahmed Heidari [156] has made a comfortable living from Iranian deals over the past decade. According to Heidari, his arms dealings can be broken down into distinct stages. The first stage involves dealings with SETI.

Heidari explained that he began arms dealing in earnest after Iraq invaded Iran in September, 1980. Immediately after the initial attack, Heidari was appointed an official representative of the Iranian Ministry of Defense. In this capacity he was responsible for most of Iran's arms procurement efforts, especially in Europe. Heidari worked for Colonel Fakuri, who was the minister of Defense.

In an effort to secure arms, Heidari contacted a Mr. Masson, the owner of an arms procurement enterprise in France called CICOM.[157] Because any arms deals between France and Iran would violate the arms embargo, Heidari said he asked Alexander de Marenches for permission to make secret arms deals.[158] Heidari testified that de Marenches told him France would not do business with Iran, at least officially. Heidari was told to contact DeLoreilhe, who might still maintain an interest in clandestine arms deals.[159] Heidari contacted DeLoreilhe, and later met with DeLoreilhe, Montanes and others to tie down the specifics of the proposed deal. Montanes was in charge of air logistics—i.e., identifying the necessary aircraft to transport the equipment. DeLoreilhe was responsible for locating and acquiring the contracted material.

Heidari said that he attempted to complete two deals with SETI and DeLoreilhe. To arrange the first deal, Montanes and DeLoreilhe travelled to Iran in September, 1980, according to Heidari. This deal involved the purchase of Scorpio tank engines by Iran. Although a contract was signed and funds were made available to pay for the goods, SETI could not locate the desired engines. DeLoreilhe and Montanes "were asked" to remain in Iran "to devote additional time to the matter." [160] As it turned out, said Heidari, SETI was never able to locate a seller. Heidari instead had to make alternative arrangements with Ian Smalley to ship the equipment from England through Luxembourg to Tehran under cover of a truck engine invoice. Heidari was able to use his own con-

tacts to secure the necessary end-user certificates.[161]

The second deal, as Heidari explained it, [162] involved the purchase of batteries, tires, and miscellaneous spare parts. This deal was negotiated three weeks after DeLoreilhe and Montanes arrived in Tehran. According to Heidari, when it became apparent that SETI could not deliver on the first deal, they had to do something as a way to buy time because Iran had already sent money to cover the cost of the engines.[163] Using invoices from individuals who remained in Paris, SETI made arrangements for this "second deal". This deal involved a contact named "Alain" at the "Israeli Mission in Paris." With his assistance, the retread F-4 tires were included in the second deal. Heidari emphasized that the transaction involving SETI had nothing to do with the hostages. They were simply commercial transactions through which he hoped to earn commissions and obtain the needed weaponry for Iran. He noted that he did not meet DeMarolles and that, to his knowledge, any contacts with French intelligence were only undertaken to avoid legal entanglements with French authorities.[164]

The second stage of Heidari's arms procurement activities occurred between late 1980 and 1983. During this stage, reported Heidari, Iran was attempting to purchase arms from France, Spain, Portugal, and Israel. Heidari indicated that he personally knew of Iranian arms purchases of excess American military parts from Israel and Spain. The purchase from Israel, according to Heidari, had a total value of $30-$40 million. Among the items received from the Israelis were recoilless rifles, ammunition, and howitzers. Heidari noted that American-made equipment formed only a portion of the shipments arranged by Israel. Heidari said that, to his knowledge, none of the arms purchased from Israel were obtained with the agreement of the American government.[165]

Heidari was pointedly questioned about Iran's involvement with the acquisition of arms from Israel. Heidari stated that his sole contact with Israel was the individual named "Alain" stationed in Paris. Alain, Heidari said, may have been a representative of Soffer, the Israeli Ambassador to France, but he had no proof for this. Heidari indicated that he would leave a message for Alain at a specific phone number in France and would later receive a call back. The arms deals were arranged in this way. Heidari said that he was not part of any arms deals that could be said to have been part of an October Surprise *quid pro quo.*[166]

Heidari was not involved in any deals with Andreas Jenni, the Swiss arms dealer. However, Heidari was a small investor in a Jenni arrangement in which an Argentine plane was shot down by the Soviets. Angelo Caldas organized the deal and Heidari invested $200,000. This flight was one of a series of five or six flights. Brazil purchased American goods and sold them to Iran. Transport was through Israel and Cyprus. Heidari was familiar with Horst Von Hajik. He described him as a "crazy middleman" who stole $100,000 from Yves DeLoreilhe. DeLoreilhe introduced Heidari to Von Hajik. Heidari attempted, without success, to purchase tank engines through Von Hajik.[167]

Aside from this, Heidari lacked detailed information concerning third-party arms dealers doing business with Iran. He left Task Force counsel with the impression that many individual arms dealers were brandishing their wares in the marketplace because any successful Iran deal could be quite lucrative at a time when an arms embargo was in place. He offered no evidence suggesting that any of these deals were linked in any way to the release of the hostages.

The October 23 tire delivery from Israel to Iran occurred in close proximity to the alleged Paris meeting dates. For that reason alone it seems to have found its way into the October Surprise literature. Upon close inspection, however, several conclusions can be reached. First, this delivery of re-treaded tires was a small, ad hoc part of a larger endeavor involving French businessmen, Iranian arms brokers, and the governments of Israel and Iran. No American involvement can be fairly said to exist. Second, this deal was undertaken to make money for the private party participants, provide needed weapons for Iran, and to serve the strategic needs of Israel during a most tumultuous time in Iranian-Israeli relations. No linkage between this deal and the release of the American hostages could be found because none exists. Third, there appears to have been attempts by the participants in this deal to notify French intelligence/military services before the fact of the deliveries in an effort to safeguard their

personal well-being (*i.e.*, avoid arrest or forfeiture of their property) and to obtain a tacit "approval" for the delivery. There is no evidence that Alexander de Marenches, or people working for or with him, were in fact notified of or actually approved the deal. The contacts with the intelligence/military services are at best ambiguous. [168] It would be disingenuous to use this attempt to reach representatives of French intelligence, particularly Count de Marenches, as a basis for concluding that Bill Casey was the hand behind this operation. Indeed, the Task Force concludes that the juxtaposition of this deal against the description of Bill Casey's friendship with Count de Marenches in Gary Sick's *October Surprise* [169] leaves the impression that this tire delivery was the first in a series of arms deals that formed the basis for the October Surprise *quid pro quo* allegations. In fact, the Task Force found no evidence whatever linking the two and, further, found credible documentary [170] and testimonial [171] evidence that this deal was not connected to the fate of the American hostages in any fashion.

In sum, therefore, it is the conclusion of the Task Force that there is no evidence that the October 23, 1980 arms delivery described above was related in any manner to the October Surprise *quid pro quo* allegations.

E. Miscellaneous Arms Deals

It has been reported that shortly after Reagan was sworn in as President, the United States sanctioned the shipment of arms to Iran through a variety of channels [172]. While the Task Force was unable to follow-up on all of the arms transactions involving third-party individuals and Iran, it made inquiry into several it deemed representative in an effort to determine whether any fit into the *quid pro quo* scenario. Each is dealt with below.

1. Allegation by William Herrmann

As described more fully in Section VI, William Herrmann was an arms dealer throughout the 1980s. Because of his arms dealings, Herrmann testified, he was in a position to know about arms transactions involving Iran in 1980. He gave sworn testimony to the Task Force on this knowledge.

Herrmann testified that he became aware of NATO arms shipments to Iran in March or April of 1981. [173] At that time, Herrmann said, arms were shipped to Iran primarily from Belgium, through Spain and Portugal, and sometimes through Israel and Italy. [174] Herrmann indicated that, while many individuals were involved in these shipments, he knew of only one by name, Armand Donay. [175] Herrmann testified that he was introduced to an unknown American Army colonel assigned to NATO in a meeting in Donay's office in Liege, Belgium in March or April of 1981. [176] Herrmann said that the colonel was in uniform, but was not wearing his name tag, and that he never learned the officer's name. Herrmann testified that the American colonel provided Donay with a shipping list of arms sought by Iran. [177] Herrmann believed that the Iranians had approached Donay because he was in a position to help the Iranians acquire surplus NATO arms. According to Herrmann, NATO was involved in shipping spare parts and tank engines to Iran. When asked for specific information on these matters, Herrmann testified as follows:

> A: I will define that a little bit. At the time, the German government was phasing out their M-48 tanks due to the fact that they were producing their own, and they had a tremendous amount of spare parts for the M-48 tank that they were putting in the open market, or more or less the open market.
>
> Q: And are they authorized under NATO rules and regulations to do that, to your knowledge?
>
> A: Only with the permission of the United States government. If they were American-manufactured, with the permission of the United States government, And that is where the colonel came in; [that he would authorize the sales of this kind of material]. [178]

Herrmann admitted, however, that Donay had no authority to sell M-48 spares from German stockpiles. He said that only the German Ministry of Defense could have authorized such a sale, and only then with formal permission from the United States. Herrmann testified that, notwithstanding this, he is con-

vinced that Donay had the implicit agreement of the German government to ship excess material, to Iran, despite the arms embargo then in effect. Herrmann's testimony follows:

> Q: So any sales of arms to Iran at this point, I presume, is technically in violation of the embargo?
>
> A: Technically, yes, yes.
>
> Q: And so an American colonel, who was supposedly authorizing the sale of these M-48 tank engines, or anything else, would be acting in contravention of the United States-led embargo; right?
>
> A: Yes; correct.
>
> Q: And Germany would be acting in contravention of the terms of the embargo?
>
> A: Exactly. Anyone acquiring this type of equipment at the time that Iran and Iraq were at war knows that this type of merchandise only goes to Iran due to the fact they had American equipment.
>
> Q: Now, is what you are saying that notwithstanding the fact of the embargo, that this stuff that Donay was offering to obtain was agreed to by Germany and this United States colonel on behalf of the United States.[179]
>
> A: Yes.

Herrmann testified that his source of knowledge on this point was Manuchehr Ghorbanifar [180] but could offer no proof of Ghorbanifar's statement or of the arms deliveries in itself. Thus, when asked to elaborate on his claim that NATO arms were being shipped to Iran with the approval of the United States, Herrmann could only surmise that someone (unknown and unnamed) in the Pentagon sanctioned these transactions. He stated:

> A: My feeling was that whatever he [the American Colonel] was doing was sanctioned by someone.
>
> * * * * *
>
> Q: But I am asking if you have specific knowledge, either from him or someone else in the United States government, that this officer received that approval from some superior.
>
> A: No, I have no personal knowledge whatsoever on this. [181]

Absent any other corroborating evidence and given that Herrmann's testimony can at best be characterized as rank speculation, the Task Force found it totally unconvincing.

Finally, Herrmann was asked whether he had any information linking these alleged arms shipments to an October Surprise *quid pro quo.* Herrmann testified that it was his belief that a hostage deal had been struck prior to the 1980 election. He added that this was not only his personal belief, but the belief of "other people that know of transactions of this nature." [182] The Task Force asked Herrmann for specific information that would support this belief:

> Q: . . . I presume from what you have told me that you are saying that this came from this October meeting. Am I wrong to presume that, or are you assuming—
>
> A: No, this is correct.
>
> Q: Are you assuming it from any other possible meetings or any other possible contact in any other way?
>
> A: No. If you ask yourself the question why would the hostages be released on January the 20th, after Reagan was inaugurated, having knowledge of merchandise being shipped from NATO warehouses shortly thereafter, the assumption is that something was worked out prior to the election.
>
> * * * * *
>
> Q: So I want to understand your reasoning. I am not quarreling with you, but just trying to understand what your reasoning is. Your reasoning goes along the following lines:
>
> First, it is that the American approvals for the sale of arms in violation of the embargo was done because there was an agreement made prior to that time relating to the hostages in exchange for shipments of arms, a *quid*

pro quo, if you will, between the release date of the hostages in January in favor of arms to be shipped to Iran thereafter?

A: Correct. [183]

Again, given the speculative and uncorroborated nature of Herrmann's statements, the Task Force concludes that his testimony is not credible evidence of an October Surprise arms-related *quid pro quo.*

2. Allegation by William Northrop

Northrop is a businessman, born in the United States, who holds Israeli citizenship. He was indicted in 1986 in the Southern District of New York for Arms Export Control Act (AECA) violations. [184] The fifty-one count indictment alleged that thirteen persons and six entities engaged in a series of five conspiracies to violate the AECA.

William Northrop was charged in two of the five conspiracies (counts one and two). Count one charged that Mr. Northrop was a member of the "B.I.T. Company Arms Deal" in which it is alleged that he, along with Guriel Eisenberg and Rafael Israel Eisenberg, among others, attempted to act as dealers, for the sales of two missiles, aircraft, helicopter engines and other articles to Iran. The second count, described as "the Dergo Establishment Arms Deal," charged that Mr. Northrop and Abraham Bar'Aam acted as dealers for the illegal sale of defense articles to Iran. The case was dismissed after the revelations regarding the Iran-Contra affair came to light.

In November, 1988, he signed a sworn affidavit in the case of *Gary Howard and Ronald Tucker v. United States.* [185] The purpose of the affidavit was to assist the plaintiffs in their attempt to prove that the United States sanctioned arms sales to Iran in the early 1980's. In the affidavit, Northrop asserted that hundreds of millions of dollars of military equipment were shipped from Israel to Iran. This equipment, so he attested, was then replenished by the United States. Largely, as a consequences of this declaration, Northrop has been cited as a source for the proposition that the arms shipments about which his affidavit addressed as well as others were part of the October Surprise *quid pro quo.*

The Task Force looked into Northrop's allegations. At the outset it sought to ascertain his bona fides. While difficult, several points struck the Task Force as indicative of the problem it would have in relying on Northrop. First, Northrop had close ties to Richard Brenneke. At Brenneke's perjury trial he was called as a witness on Brenneke's behalf. During his direct examination, [186] he testified that he had known Brenneke for about twenty years and that he was with Brenneke in the late summer of 1980 in Lehore, Pakistan. [187] Unfortunately, Brenneke's credit card receipts for that time period conclusively establish that Brenneke never travelled to Pakistan in the summer of 1980. Second, Brenneke's handwritten notes from his personal calendar [188] reflect a call from a Richard Ryan indicating that a man named Will Northrop who was working as an investigator for an Oklahoma City law office wanted to speak with Brenneke. The clear indication from this message is that this was the first time Northrop was introduced to Brenneke. Finally, Northrop has described himself as an Israeli intelligence operative. The government of Israel specifically denied any such association. [189] Thus, before the substance of his affidavit was addressed, the Task Force had very good reason to doubt the reliability of the October Surprise stories related to Northrop.

Regarding the specifics of the affidavit, one need not read very far in order to assess the accuracy of its contents. In the first substantive paragraph (paragraph #2) Northrop asserts that the October 23, 1980 tire deal that is discussed at length in this chapter was approved of by the United States following a meeting between President Carter and Prime Minister Begin. As has been previously established by the Task Force, this assertion is patently false. In the third substantive paragraph (paragraph #4) of the affidavit, Northrop asserts that Secretary Haig, after meeting with Foreign Minister Shamir in February, 1981, specifically authorized Israel to ship American-made weapons to Iran. A review of the cable traffic between the State Department and Israel (discussed previously), as well as the contemporaneous notes and memoranda of the participants (also discussed previously), establish that no green light was ever given for the shipment of American-made weapons between Israel and Iran. In the

next substantive paragraph (paragraph #5) Northrop asserts that Israel shipped $7 million worth of American-made C-130 aircraft and communications parts to Iran [190] in March 1991 and that the United States in the person of its Israeli Ambassador, Samuel Lewis, advised Israel that the equipment shipped could be replenished from American stockpiles. As discussed elsewhere in this chapter, this assertion is likewise false. The United States never authorized the selling of American-made equipment between Israel and Iran and at no time did the United States replenish Israeli stockpiles for equipment allegedly sold to Iran.

Accordingly, the Task Force concludes that Northrop's assertions are untrue and that any reliance upon him for the proposition that arms sales between Israel and Iran after January 1981 were part of an October Surprise *quid pro quo* is misplaced.

3. Allegation by Arif Durrani

Arif Durrani is a Pakistani arms dealer. In Gary Sick's *October Surprise,* Durrani related information concerning shipments of NATO materials to Iran. According to Mr. Sick, Durrani

> claimed that documents existed in Belgium that indicated a substantial flow of arms from NATO stocks to Iran. According to Durrani, the United States later replenished these stocks. Durrani said that he visited NATO warehouses in Portugal, where he inspected military equipment and parts and then reported his findings to representatives of the Iranian Revolutionary Guards, who were waiting for him outside the NATO base. If they liked what they heard, a transaction would be set in motion.
>
> Durrani recalled that orders began to show up at his company and elsewhere for certain aircraft parts unique to the Iranian F-4s that had been purchased by the Shah. These tell-tale parts were initially ordered by Israel, but later orders were received from Turkey as well. Durrani also recalled that on one occasion thirteen Cobra helicopters were sold to Iran from a U.S. base in Germany and were shipped to Iran via Zaire for cover. Other sources also claimed that Zaire was used as a transit point to launder arms shipments that went directly from U.S. sources to Iran without passing through Israel. [191]

Preliminarily, the Task Force notes that, as discussed in Section VII of this report, Durrani has changed his story in several material respects in detailing his information of alleged Madrid meetings. In asking Durrani in his deposition for additional information concerning sales of NATO stock arms to Iran, Durrani related that he had visited NATO bases in Portugal and Luxembourg in 1985 and 1986. While he does not even recall where the NATO base was in Luxembourg, [192] he likewise cannot recall the Portuguese military officials who escorted him from Lisbon to the NATO facility and with whom he did business. [193] There were never any Americans present. [194] To the extent that he led any writers to believe that the United States government replenished reduced NATO stock shipped to Iran, Durrani alleged that it was American companies, not the government, that replenished the stocks. [195] Finally, while Durrani claims to have seen records of sales of NATO arms to Iran from 1982-83, [196] he offered absolutely no evidence to corroborate his allegations. Given Durrani's suspect credibility, the Task Force can give no weight to his unsupported, uncorroborated testimony. Accordingly, the Task Force finds Durrani's testimony not to be credible.

F. Conclusion

What can fairly be said by studying these miscellaneous arms deals and the many others that surely were consummated (if one accepts the United States intelligence community assessment that Iran was purchasing arms in the years 1980-1982 in amounts totalling nearly $2 billion annually,[197]) is that during the period beginning in September, 1980 [198] and continuing for the next several years, Iran was very actively engaged in a worldwide effort to secure the arms it needed to sustain its revolution and the war with Iraq. This worldwide weapons search brought to the forefront a diverse array of independent arms brokers eager to cash in on this lucrative market as well as many countries similarly anxious to fill the void created by

the United States lead weapons embargo. It is not surprising, therefore, that some of these arms shipments would be argued as constituting the October Surprise *quid pro quo.* However, when the Task Force sought evidence substantiating these claims, none could be found. The Task Force rejects the argument that the absence of evidence is proof that the alleged event occurred. There is no proof that the relevant evidence was destroyed.

It is therefore the conclusion of the Task Force that no credible evidence exists that arms were delivered in any manner as to constitute a *quid pro quo* for the delayed release of the American hostages.

Endnotes

1. Michael Bar-Zohar, *Ben-Gurion and the Policy of the Periphery,* in Itamar Rabinovich and Jehuda Reinharz, eds., *Israel in the Middle East: Documents and Readings on Society, Politics, and Foreign Relations 1948-Present,* Oxford University Press, 1984.

2. Shmuel Segev, *The Iranian Triangle: The Untold Story of Israel's Role in the Iran-Contra Affair,* New York: The Free Press, 1988.

3. *Id.*

4. Anthony Sampson, *The Seven Sisters,* The Viking Press, 1975.

5. G. Sick, *All Fall Down,* at 173-75.

6. Eric Von Marbod Interview (Aug. 24, 1992) at 1. Von Marbod stated that because of the revolutionary upheaval in Iran, the Iranians had a serious "cash flow" problem. During Von Marbod's negotiations, the Iranians attempted to pay for arms with oil. The United States refused, and the Memorandum of Understanding was executed which either restricted or ended outstanding defense contracts. This Memorandum of Understanding later became critical in providing the United States with favorable leverage in negotiations over military spare parts and arms obligations. *See also* Michael Ladeen and William Lewis, *Debacle: The American Failure in Iran,* Vintage, 1982, at 190.

7. *Id.* On Feb. 5, 1979, the Department of Defense announced that $7 billion in arms scheduled for delivery to Iran had been cancelled, including 160 F-16 fighter aircraft, 7 E-3 AWACs, 16 RF-4 reconnaissance planes, and two of four Spruance class destroyers. The Iran Hostage Crisis, A Chronology of Daily Developments, Committee on Foreign Affairs, United States House of Representatives, 97th Congress, 1st Session (Mar. 18, 1981) at 14 (hereinafter "CRS").

8. Ambassador Samuel Lewis Interview (Sept. 9, 1992) at 1 (hereinafter "Lewis Sept. 9 Int.").

9. *Id.* at 1; Ambassador Nicholas A. Veliotes Deposition (Dec. 11, 1992) at 5-6 (hereinafter "Veliotes Dep.").

10. Lewis Sept. 9, 1992 Int. at 1. According to Ambassador Lewis, while the main military leaders were removed almost immediately, the next few echelons of command remained in place at 1.

11. *Id.* at 1.

12. *Id.* at 2. As Israel sought to sell arms to Iran, the revolutionary government in Iran was trying to purchase supplies. Despite Ayatollah Khomeini's desire to scale down the army and military purchases, Prime Minister Mehdi Bazargan, the leader of the first post-Shah Iranian government, made attempts to normalize relations with the United States to obtain military spare parts. While these attempts at reproachment ultimately led to Bazargan's departure from office, Khomeini had approved these contacts as well as having authorized a program to purchase military spare parts. *See* Bakhash, S., *The Reign of the Ayatollahs,* at 70. On October 5, 1979, the Department of Defense announced that the United States had resumed delivery of spare parts for Iran's American made military aircraft. CRS at 33.

13. CRS at 38.

14. *Id.* at 39.

15. United States Department of State, Document No. 330065, to all Diplomatic Posts (December 22, 1979) *See* App. at 864.

16. Lewis Int. at 6. Ari Ben-Menashe asserts that the son of an Iranian Ayatollah named Faid Mehdi Kashani flew to Israel to discuss the, "Iraqi nuclear-development program", and as a result of this visit, Israel sent approximately three hundred F-4 phantom jet tires to Iran via Vienna in March or April 1980. Ari Ben-Menashe Deposition (Aug. 4, 1992) at 12-21 (hereinafter "Ben-Menashe Dep."). The Task Force has found no evidence to support this allegation. According to the report on the October Surprise allegations conducted by the Government of Israel at the behest of the Task Force (hereinafter "GOI Report") at 24060, Kashani entered Israel for the first time in 1985. *See* App. at 500-563. According to Ambassador Lewis, if anything like this took place, Prime Minister Begin was not informed about it.

17. The GOI Report notes that in April 1980, Prime Minister Begin visited the United States. During his visit, Mr. Begin proposed to U.S. President Carter that Israel supply arms to Iran (mainly spare parts for F-4 fighter-bombers) in order to develop a direct line to the military there. Prime Minister Begin believed that such arms deliveries may also serve U.S. interests. Begin received a negative response from President Carter, and a message to this effect was transferred to the Prime Minister during that same visit by Secretary of State, Cyrus Vance. GOI Report at 29-017. *See* App. at 500-563.

18. Lewis Sept. 9 Int. at 4.

19. Lewis Sept. 9 Int. at 11.

20. GOI Report at 2-3 (24017). *See* App. at 500-563.

21. Department of State, Iran Working Group, SITREP 449, (Sept. 28, 1980). *See* App. at 865-866.

22. *Id.*

23. United States Department of State, Cable from Tel Aviv 17821 (Sept. 30, 1980). *See* App. at 867-868.

24. *Id.*

25. United States Embassy Tel Aviv, Cable 19272 (Oct. 22, 1980). *See* App. at 869-871.

26. GOI Report at 3 (24018). *See* App. at 500-563.

27. Lewis Sept. 10 Int. at 1-2.

28. *Id.*

29. United States Embassy Tel Aviv, Cable 19272 Oct. 22, 1980. *See* App. at 869-871.

30. *Id.*

31. United States Department of State, Cable to Tel Aviv, Cable 011029 (Oct. 22, 1980).

32. Israel had no desire to break with the United States. To the contrary, the Israelis reiterated they were trying to be helpful. United States Embassy Tel Aviv Cable 19351 (Oct. 23, 1980). *See* App. at 872-874.

33. The transfers of the F-4 tires on Oct. 22, 1980 fueled the October Surprise allegations of a secret arms deal because of their proximity to the alleged Casey-Karrubi meeting in Paris in late October of 1980. This issue is treated in great detail later in this section of the report.

34. It remains unclear who within Israel authorized the first shipment. Some have speculated that it may have been the military without the Prime Minister's actual approval. Lewis Sept. 10 Int. at 4.

35. United States Embassy Tel Aviv, Cable 19609 (Oct. 27, 1980). *See* App. at 875-877.

36. *Id.*

37. *Id.*

38. As noted, Ambassador Lewis testified that after dealing with Prime Minister Begin over a significant period of time, Lewis was convinced that Prime Minister Begin believed that it was in the best interests of the United States and Israel to allow Israel to sell arms to Iran. Begin had no ulterior motive. However, Prime Minister Begin did not fully appreciate the harm such arms dealing might have on the ongoing hostage release negotiations should the transactions become known in Tehran. Deputy Secretary Christopher echoed this concern. He was of the definite opinion that arms trafficking between Israel and Tehran could only jeopardize United States-Iranian hostage negotiations. While this position was clearly articulated to Israel, Christopher also sent a cable, discussed below, through Lewis to the Israelis that once the hostages were released any decision to supply Israeli arms to Iran was up to Israel. United States Department of State Cable to Tel Aviv, 287999, Oct. 28, 1980 (Task Force Bates stamp No. A25844). This point was emphasized by Embassy personnel in conversations with Prime Minister Begin in the days following the Christopher cable.

39. United States Embassy Tel Aviv, Cable 19609 (October 27, 1980). *See* App. at 875–877.

40. United States Department of State Cable to Tel Aviv, 287999 (Oct. 28, 1980). *See* App. at 878–879.

41. Deposition of former Deputy Secretary of State Warren Christopher (Dec. 2, 1992) at 40–41.

42. United States Embassy Tel Aviv, Cable 20265 (Nov. 6, 1980). *See* App. at 880–881.

43. *Id.*

44. *Id.*

45. *Id.*

46. GOI Report at 6 *See* App. at 500–563.

47. *See, e.g.,* United States Embassy Tel Aviv, Nov. 12, 1980, reviewed by the Task Force at the Carter Library on Nov. 8, 1992.

48. United States Embassy Tel Aviv, Cable 22257 (Dec. 12, 1980). *See* App. at 882–883.

49. *Id.*

50. Nicholas Veliotes Interview (May 6, 1992) at 1.

51. Lewis Sept. 10 Int. at 6–7. According to Ambassador Lewis, a "high Israeli foreign ministry official told me that we should expect an approach on this issue soon." *Id.* at 6.

52. United States Embassy Tel Aviv, Cable 01499 (Jan. 28, 1981).

53. United States Department of State, Cable to Tel Aviv, Cable 28467 (Feb. 4, 1981). *See* App. at 884–885.

54. United States Embassy Tel Aviv 1950 (Feb. 4, 1981). *See* App. at 886–887.

55. GOI Report at 8 (24023) *See* App. at 500–563.

56. United States Embassy Tel Aviv, Cable 1950 (Feb. 4, 1980). *See* App. at 886–887.

57. Secretary Alexander Haig Deposition (Dec. 4, 1992) at 16–17 (hereinafter "Haig Dep.").

58. Lewis Sept. 10 Int. at 9–10.

59. GOI Report at 8–9 (24023–24024). *See* App. at 500–563.

60. *Id.* at 10 (24025).

61. United States Department of State to Tel Aviv, Cable 39737 (Feb. 27, 1981). *See* App. at 888–895.

62. GOI Report at 9 (24024). *See* App. at 500–563.

63. Haig Dep. at 11–20.

64. Lewis Sept. 10 Int. at 5–6.

65. Veliotes Dep. at 13–14.

66. Lewis Sept. 10 Int. at 10–11.

67. The analysis of the SIG is set out in SIG Memorandum No. 2, Department of State (July 13, 1981). The objection of the Joints Chiefs of Staff are set forth in a Memorandum from LTG Paul E. Gorman to Mr. L. Paul Bremer, III, Special Assistant to the Secretary of State (Sept. 8, 1981). *See* App. at 896.

68. GOI Report at 10–11 (24025–24026).

69. Memorandum prepared by David Satterfield from Richard W. Murphy to Secretary of State (Nov. 21, 1986) at 2 (hereinafter "Satterfield Memorandum"). *See* App. at 897–903.

70. David Satterfield Deposition, (Oct. 16, 1992) at 11 (hereinafter "Satterfield Dep.").

71. GOI Report at 11 (24026). *See* App. at 500–563.

72. United States Embassy Tel Aviv, Cable 16890 (Nov. 4, 1981). *See* App. at 904–905.

73. *Id.*

74. United States Department of State, Cable illegible (Nov. 17, 1981). *See* App. at 906.

75. *Id.*

76. Satterfield Dep. at 12.

77. *Id.* at 12; Satterfield Memorandum at 2.

78. Satterfield Dep. at 12; Satterfield Memorandum at 2.

79. GOI Report at 12–13 (24027–24028).

80. Lewis Sept. 10 Int. at 11.

81. Satterfield Dep. at 13.

82. *Id.* at 14.

83. GOI Report at 11–12 (24026–24027).

84. Satterfield Dep. at 14, 16.

85. *Id.* at 14–19.

86. *Id.* at 27. Satterfield Memorandum at 2.

87. Satterfield Memorandum at 2.

88. *Id.*

89. *See, e.g.,* Memo from Secretary Haig to Ambassador Lewis (Feb. 1982). *See* App. at 907–910.

90. Satterfield Dep. at 27–28.

91. Satterfield Memorandum at 2. Nyhan, David, Israel Plan Was *Aimed at Toppling Khomeini,* Boston Globe, Oct. 21, 1982 at 1; and Nyhan, David, *Israeli Disputes Globe Story,* Boston Globe, Oct. 23, 1982, at 1.

92. *See* Department of State Cable #12065 (Mar. 10, 1982). See App. at 1022–1023.

93. *Id.*

94. According to Satterfield, Lewis did not deliver the instruction, in part due to the tensions created by the Israeli withdrawal from the Sinai. Satterfield Dep. at 29.

95. United States Department of State, Cable 118546 (May 1, 1982). *See* App. at 911.

96. United States Embassy Tel Aviv, Cable illegible (May 6, 1982). *See* App. at 912–913. Satterfield Dep. at 29.

97. United States Embassy Tel Aviv, Cable 06852 (May 7, 1982); *See* App. at 914. Satterfield Dep. at 30. By this statement, it was understood that that which was shipped with United States approval was the Israeli origin equipment which was sent on the basis of the misunderstood communication delivered in February, 1981.

98. United States Embassy Tel Aviv, Cable 06852 (May 7, 1982). *See* App. at 914.

99. Satterfield Memorandum at 3.

100. United States Embassy Tel Aviv, Cable 06852 (May 31, 1982). *See* App. at 914.

101. Satterfield Memorandum at 3; Satterfield Dep. at 33, 35.

102 GOI Report at 14–15 (24029–24030).

103. Satterfield Dep., Oct. 16, 1992, at 44–45.

104. This figure is derived from compiling intelligence assessments made at that time. It is a rough approximation.

105. Veliotes dep. at 40. Throughout the Iran-Iraq war, the American intelligence community closely monitored the military situation and efforts by Iran to secure arms. In investigating the October Surprise allegations, the Task Force examined intelligence data and interviewed intelligence officers to determine whether FMS or United States-origin arms appeared on the battlefields in quantities that would have lent credence to the allegations that American arms were sold to Iran during the 1980-1983 period to fulfill an October Surprise deal. After examining these materials, the Task Force determined that there is no evidence

that American arms appeared on the battlefield.United States intelligence sources indicated that Iran was purchasing approximately $2 billion in arms per year during this period, an insignificant amount given the intensity of the conflict. The vast majority of those arms were purchased from communist-bloc countries such as North Korea and Vietnam. There is no evidence to indicate that any FMS or United States-origin arms were purchased by Iran in any quantities as to support the October Surprise allegations.

106. Satterfield Dep. at 37.

107. *Id.* at 44–45.

108. The GOI Report reflects that Israel shipped approximately $103 million of military equipment to Iran between 1980 and 1982. United States intelligence agencies report in excess of $180 million in military and military-related supplies were shipped from Israel to Iran during the 1980–1983 time period.

109. The countries identified were: Argentina, Austria, Belgium, British West Indies, China, Cyprus, England, France, Greece, Holland, Hong Kong, Israel, Italy, Kuwait, Libya, Morocco, Nigeria, North Korea, Pakistan, Portugal, South Korea, Soviet Union, Spain, Switzerland, Syria, Taiwan, Turkey, United States, W. Germany.

110. These documents consisted primarily of conflicting and uncorroborated raw cable traffic involving allegations of an arms relationship between the two countries. Nothing conclusive was ever established on this point according to the cable traffic reviewed by the Task Force. Most of the traffic can be accurately characterized as rumor or hearsay reports.

111. Most of the DOD cable traffic pertaining to Israeli military assistance to Iran was at best inconclusive.

112. Indeed, this position was so strongly felt by some in the upper echelons of DOD that there were memos circulated urging support for Iraq in the Iran-Iraq war. DOD Memorandum (May 25, 1984. See App. at 915.

113. Roger Faulques was deposed, under oath, in Nice, France on Aug. 22, 1992.

114. Deposition of Roger Faulques (Aug. 22, 1992) at 1-2 (hereinafter "Faulques Dep.").

115. *Id.* at 3-5.

116. *Id.* at 5-6.

117. Sick, G., *October Surprise* at 110.

118. Alain De Marolles likewise stated that he had never met Faulques. He also stated that he has never had a home near Bordeaux. De Marolles Interview (Aug. 28, 1992) at 1.

119. Faulques Dep. at 8.

120. *Id.* at 10.

121. Gaudinat was interviewed in Marseilles, France on Nov. 21, 1992.

122. Pierre Gaudinat Interview (Nov. 21, 1992) at 1 (hereinafter "Gaudinat Int.").

123. *Id.* at 3-4.

124. *Id.* at 5.

125. DeLoreilhe is deceased. Task Force Counsel interviewed his son and his father's attorney, Mr. LaFon. Neither had any information to add regarding DeLoreilhe and SETI involvement in these events not previously known to the Task Force. Pierre Yves DeLoreilhe Interview (Oct. 5, 1992) at 2.

126. Gaudinat stated that no Americans were at the meeting. "No, quite impossible." Gaudinat Int. at 13.

127. *Id.* at 6-9.

128. Gaudinat advised that this was, in large measure, the reason Faulques refused to participate in the meeting. Faulques, according to Gaudinat, believed that the project was destined to fail. Gaudinat Int. at 13.

129. By virtue of his Air France connections and his stature as a reserve forces paratrooper, Gaudinat had many contacts within the French Defense Ministry.

130. Gaudinat Int. at 8.

131. *Id.* at 8.

132. *Id.* at 11.

133. *Id.* at 12.

134. *Id.* at 14.

135. *Id.* at 17.

136. *Id.* at 19.

137. *Id.* at 20.

138. *Id.* at 23-24.

139. *Id.* at 23.

140. As discussed earlier, Israel advised the United States of this tire deal shortly after the completion of the delivery.

141. *Id.* at 29-30.

142. Jacques Montanes was interviewed under oath on Sept. 23, 1992 in Paris, France.

143. Jacques Montanes Interview (Sept. 23, 1992) at 1 (hereinafter "Montanes Int.").

144. Arranging for transportation meant finding the proper aircraft with the correct payload, range, etc. . . Montanes Int. at 6.

145. According to a memo prepared by Montanes upon his return to France that detailed this deal (hereinafter Montanes Memo), the British name for this operation was Pharaoh because the engines SICAM was to receive were to have come from the Egyptian Ministry of Defense. Montanes' memo, translated by the Library of Congress' Congressional Research Service at 8 (hereinafter "Montanes Memo."). *See* App. at 916–933.

146. Montanes Memo. at 8.

147. Montanes Memo. at 9.

148. The other equipment included: M60 spare parts brought by truck and supplied by the DSDP in Milan; a sample M48 engine; PRC77 batteries for radios bought in Spain from Tudor; and one J60 Scorpio engine. Montanes Memo. at 9.

149. DeLoreilhe managed to leave Iran after four months and a 4–5 million franc ($150,000) payment to the Iranians to buy out his part of the contract. Montanes, unable to raise that amount of money, remained in Iran for nine months until the terms of the deal were eventually fulfilled. Montanes exited Iran in June, 1981. Montanes Int. at 9 and 12.

150. The original supplier of the engines was a company by the name of SICAM. SICAM was said to have arranged to obtain the Scorpio engines by diverting them from the Egyptian Ministry of Defense. When SICAM couldn't immediately fulfill the terms of the contract an additional arms dealer was brought in, Horst Van Hajik, to complete the terms of the original contract. Ultimately, SICAM and Von Hajik working in concert with another arms dealer, Ian Smalley, were able to fulfill the terms of the contract in May, 1981. Montanes Memo. at 6.

151. The Montanes memo indicated that Von Hajik was able to obtain the engines with the "assistance" of a Mr. Lee at the British Defense Ministry. Montanes Memo. at 10.

152. Montanes Int. at 26.

153. Montanes Int. at 26–27.

154. *Id.* at 29.

155. Montanes Int. at 29–30.

156. Heidari was interviewed on Sept. 28, 1992 in Cannes, France and again on Nov. 19, 1992 in Paris (hereinafter "Heidari" Sept. 28 Int. or "Heidari Nov. 19 Int.").

157. Heidari was vague on the dates of this contact. Heidari Sept. 28 Int. at 1.

158. Heidari Sept. 28 Int. at 1.

159. Count de Marenches denied any such contact with Heidari. Indeed, he denied ever meeting or speaking to Heidari in his life. de Marenches Int. at 1.

160. Heidari Oct. 14 Int. at 2.

161. Heidari Sept. 28 Int. at 2.

162. Heidari breaks down his dealings with SETI into two distinct components, whereas Montanes sees this as one singular deal with two parts—a distinction with no substantive significance.

163. De Loreilhe and Montanes wanted to leave Iran when it became apparent to them they would be unable to deliver the tank engines. The Iranian government refused to permit their exit unless they reimbursed Iran for their profit on the sale of the batteries, tires, and spare parts. De Loreilhe provided a guarantee to the central Bank of Iran, through Banc Pays Pas, in an unknown amount. He then left the country. Montanes had insufficient resources to post a similar surety. The Iranians refused to permit Montanes to leave. Another reason they did so was to assure the bank guarantee provided by DeLoreilhe was sufficient, in view of the fact it was not supported by money but by shares in a corporation.

DeLoreilhe sought to meet with Heidari after he returned to Paris from Tehran. DeLoreilhe came to a meeting with three body guards and demanded the $100,000 guarantee he was forced to post in Tehran in order to return to France. Heidari refused to compensate him. A fight erupted between DeLoreilhe's body guards and Heidari's men which included shooting, police response and news coverage. Heidari Int. at 2.

164. *Id.* at 2.

165. *Id.* at 5. Iran purchased one M-60 Tank from Spain according to Heidari and did not acquire American made equipment from any other country. *Id.*

166. *Id.* at 4. *See* discussion, *supra,* for Heidari's comments on secret meetings in Europe regarding the hostages.

167. *Id.* at 6.

168. *See, e.g.,* the telex introducing SETI representatives to French military personnel dated Oct. 18, 1980. This telex was shown to the personal assistant of General Lacaze. He, in turn, showed it to the General, who denied having received it or any knowledge of its contents. Interview with Charles Sebe, Assistant to General Lacaze (Sept. 25, 1992) at 1. The telex itself is attached at App. at 934–935.

169. *See* G. Sick, *October Surprise* at 110.

170. GOI Report at 20 (24–027). *See* App. at 500–563.

171. See Testimony of Faulques, Gaudinat, Heidari and Montanes set forth above and the sworn statements of Ambassador Samuel Lewis in which he noted that he thought that it would have been antithetical to Begin's nature to have engaged in such treachery and far too dangerous a gambit for too little return. He concluded that it would "be politically devastating to Israel's interests in the United States, to its support in Congress, it's whole basis as an American ally could be destroyed if Begin were found to be conspiring with the Republicans to influence our election." Lewis Int. at 10–11.

172. *See* Sick, *October Surprise* at 197–203.

173. Deposition of William Herrmann (Nov. 10, 1992) at 65 (hereinafter "Herrmann Dep.").

174. *Id.* at 65.

175. Armand Donay is a well documented arms trafficker who is widely known throughout the arms trading community. Task Force counsel sought to locate and interview him, but were not able to locate him in Liege or elsewhere.

176. *Id.* at 66.

177. *Id.* at 67.

178. Herrmann Dep. at 68–69.

179. *Id.* at 73.

180. *Id.* at 73–75.

181. *Id.* at 79–80.

182. *Id.* at 80. Herrmann provided no information as to who these "others" may have been.

183. Herrmann Dep. at 81–82.

184. Indictment, U.S. v. Evans, No. SSSS 86 Cr. 384 (LBS) (1986). *See* App. at 936–974.

185. A civil lawsuit brought for commissions alleged to be owed the plaintiffs for their work for the United States Customs Service. *See* App. at 975–978.

186. *U.S.* v. *Richard Brenneke,* Cr. No. 89–198 (D.Or. April 27, 1990) at 329–330. *See* App. at 979–980.

187. *Id.* at 336.

188. Brenneke Calendar, 1987, page dated 5/20/87. *See* App. at 981.

189. GOI Report at 24–046. In the GOI interview conducted of William Northrop at the request of the Task Force, Northrop states the following: (1) he never served in the Israeli Defense Forces, therefore any reports regarding his senior military rank is incorrect; (2) as far as is known to him, Israel was not involved in the subject of the October Surprise. Israel's name was brought into the matter by Ari Ben-Menashe. Ben-Menashe contacted Northrop but he did not see fit to meet with him. Northrop refused to meet with Ben-Menashe because he doubted the truthfulness of his version of the events; (3) he knows the names Ian Smalley and Andreas Jenni but has never met either of them; and (4) he was not connected during the 1980–1982 time period with any Israeli activity relating to the October Surprise allegations.

190. In the GOI Report at page 24033, Israel states that during the month of March, 1981 it sold $1.2 million worth of 106 mm recoilless rifles to Iran. Nothing else was shipped in March, 1981.

191. G. Sick, *October Surprise* at 202–203.

192. Arif Durrani Deposition (Sept. 30, 1992) at 101.

193. *Id.* at 102.

194. *Id.* at 104.

195. *Id.* at 107.

196. *Id.* at 106.

197. The Task Force found no reason whatsoever to doubt this assessment from its review of the Defense and State Department documents summarized in this chapter.

198. In September, 1980 Iraq invaded Iran, setting off a desperate search for military equipment and spare parts by the Iranian government.

XI. Actions Taken To Keep Alleged Actions From Being Revealed To The American People

> H. Res. 258 Section 1(e): Any actions taken to keep communications or actions described above, if any such communications or actions took place, from being revealed to the Government of the United States or the American people.

The only October Surprise related allegations that could be covered by this section of the mandate are those concerning several governmental actions by the Reagan administration regarding Cyrus Hashemi. It has been alleged that these actions were taken either to compensate Hashemi for his role in assisting the Reagan campaign in delaying the release of the hostages or as part of a "cover up" designed to prevent him from revealing the role of key Reagan officials in such a delay. These allegations concern the termination of the FBI electronic surveillance of Hashemi and the reported "tip off" that he was about to be indicted for arms trafficking which led him to stay abroad to avoid arrest by U.S. officials. It has also been alleged that Hashemi's death was caused by a wide variety of people or groups including agents of the United States government. The Task Force has investigated these incidents and finds no credible evidence to support those claims.

A. Termination of the FISA Surveillance

It has been suggested that electronic surveillance of Cyrus Hashemi by the FBI was prematurely terminated by the Reagan administration to prevent Hashemi's assistance to the Reagan campaign in delaying the release of the hostages from becoming known by "killing the case" against him.[1] The Task Force has reviewed FBI, CIA, and Department of State files regarding the termination of the surveillance and determined that discontinuation of the surveillance was sought prior to the Reagan Administration taking office and for reasons unrelated to any assistance in delaying the release of the hostages.

The surveillance of Cyrus Hashemi was authorized under the Foreign Intelligence Surveillance Act (FISA) for purposes of investigating Cyrus Hashemi's role in Iranian intelligence activities and the assassination of Ali Akbar Tabatabai, a former Iranian diplomat.[2] In November 1980, the New York office of the FBI recommended to the FBI Director that the electronic surveillance of Cyrus Hashemi be discontinued because it had not yielded any evidence of Hashemi's involvement in the assassination.[3] In addition, the New York office was concerned that the surveillance was draining resources and manpower.[4]

Although the FISA had not revealed any evidence related to the assassination, it had revealed that Hashemi was engaged in other foreign intelligence activities, particularly military spare parts procurement on behalf of Iran.[5] In addition, the government had developed an interest in assessing Hashemi's motives and truthfulness in his actions as an intermediary with the Khomeini government to facilitate the release of the hostages.[6] On the basis of this information, the FBI sought and received a 90-day extension of the authority for the FISA surveillance on November 23, 1980.[7]

On January 22, 1981, two days after the hostages were released, the FBI New York office again requested authority from the FBI Director to discontinue the surveillance because it believed that, in light of the release of the hostages, no further investigative purpose would be served by continuing the surveillance.[8] FBI headquarters surveyed the relevant executive branch agencies to seek their concurrence on this decision and found no objection.[9] The Director responded to the New York office with the direction that the FISA surveillance should be discontinued.[10] The surveillance was discontinued on February 12, 1981, 11 days prior to expiration of its scheduled expiration on February 23, 1981.

The documentation reveals that the surveillance was terminated because the hostages had been returned and would likely have been terminated earlier had it not been for Hashemi's role as an intermediary between the United States and Khomeini governments. In addition, it is clear that the termination was initiated before the Reagan Administration had any meaningful bureaucratic control over investigative decisions within the FBI, Department of State or CIA. In particular, the Task Force believes it is significant that termination process was initiated only two days after President Reagan was sworn in as President and 5 days before William Casey became Director of Central Intelligence. More importantly, there is no evidence to indicate that the termination of the FISA was in any way related to Casey or any alleged activities of the Reagan campaign to delay the release of the hostages. Rather, the decision was based on legal and law enforcement considerations having nothing to do with Reagan administration efforts to "kill the case" against Hashemi.

B. The Alleged "Tip Off" which Enabled Cyrus Hashemi to Evade Process in a Foreign Country

During the course of the FBI surveillance, the FBI learned that Hashemi and his associates were conducting arms sales to Iran in violation of the arms embargo. The FBI notified the United States Customs Service, which has law enforcement jurisdiction over illegal arms sales, that it had developed evidence of criminal conduct by Cyrus Hashemi, Jamshid Hashemi, Reza Hashemi and others.[11] Because of Hashemi's assistance to the State Department in attempting to facilitate the release of the hostages, it was agreed that no active investigation would be initiated until after the hostages were released.[12]

Following an investigation by the FBI and the United States Customs Service, a sealed indictment alleging that the Hashemis and their associates engaged in illegal arms sales to Iran was returned against Cyrus Hashemi and his arrest scheduled for May 16, 1984, on which date he was scheduled to arrive back in the United States from London. Hashemi, however, did not return to the United States as scheduled.[13]

Hashemi and his counsel were aware that a grand jury investigation was being conducted and his counsel had requested an opportunity to present their version of events to the Department of Justice.[14] The Criminal Division of the Department of Justice would not discuss the case with Hashemi's counsel at that time, but promised that they would give them an opportunity to be heard before any indictments were returned.[15,16] Apparently, when his attorneys received an invitation to meet with Department of Justice officials several months later, Hashemi interpreted it as a sign that the indictment was imminent and chose to stay abroad.[17] CIA officials testified to the Task Force that they had no knowledge of anyone in the CIA "tipping off" Hashemi.[18]

Cyrus Hashemi's wife also testified to the Task Force that, after she learned that her brother-in-law Reza Hashemi had been arrested, she warned her husband by telephone not to return to the United States.[19,20]

The Task Force has found no evidence to indicate that Cyrus Hashemi received notice of an anticipated indictment other than from his attorney or that the notice provided to his attorney was unusual.

C. Efforts to Dismiss the Case Against Hashemi

1. Gray Mail Efforts by Hashemi's Counsel

Once they learned that Cyrus Hashemi was under investigation, he and his counsel attempted to convince the government to drop the case against him in order to prevent him from revealing classified information presumably related to his activities CIA activities in 1979 and 1980 to support Iranian presidential candidate Madani.[21,22]

On January 26, 1982, CIA officials, upon consultation with Director Casey, concluded that the agency would not object to the prosecution of Hashemi even at the risk of exposing the agency role in supporting Madani.[23] Shortly thereafter, however, the State Department indicated that it would object to the prosecution because of the risk that the Madani operation and Cyrus Hashemi's role as an unofficial channel during the 1980 hostage crisis would be disclosed.[24] On January 28, 1982, officials of the Department of Justice, Department of State and the CIA met to discuss their various positions regarding the prosecution of Hashemi.[25] At that meeting, the CIA reiterated its position but stated that it would not oppose the State Department's decision to oppose the prosecution.[26]

Throughout this period and for the next two years, the Department of Justice actively debated the legal intricacies of using evidence gathered in a Foreign Intelligence Surveillance Act intercept for a criminal prosecution. Since this was one of the first times this legal issue arose, there was no precedent to guide them. Meanwhile the United States Attorneys Office for the Southern District of New York continued to prepare its case without interruption.

In February 1984, one of Cyrus Hashemi's attorneys, Elliott Richardson, requested a meeting with CIA officials in efforts to persuade them to intercede to prevent the prosecution of Hashemi.[27,28] At the meeting, Richardson outlined Hashemi's activities to assist in the election efforts of Madani.[29] Richardson also stated that the State Department had been aware of Hashemi's "technical" violations of the arms embargo but had informed Hashemi that any Department of Justice investigation had been discontinued.[30] Richardson claimed that because Hashemi was very wealthy and only made a small profit on the arms transactions, the obvious conclusion was that he had engaged in the arms transactions to maintain his pattern of good relations with the Iranians in order to facilitate his CIA activities.[31] Richardson stated that Hashemi would be forced to reveal the full extent of that CIA relationship in order to present a complete defense.[32]

At the meeting, Richardson implied that Hashemi had a limited previous relationship with William Casey which involved the purchase of a building in 1979, but did not mention or allude that Cyrus Hashemi had a relationship with Casey related to the 1980 hostage situation.[33] Lee Strickland, a CIA official who attended the meeting recalls that it was made clear to Mr. Richardson at the conclusion of the meeting that the agency would not interfere with the prosecution.[34]

Following the meeting, the CIA officials met and decided that the agency would not interfere in the prosecution of Hashemi.[35] Casey was aware of and agreed with the decision that the CIA would not assist Hashemi.[36] CIA officials informed the Department of Justice that they would take no action to interfere with the ongoing prosecution.[37]

At no time during the course of his efforts to graymail the government did Hashemi or his counsel mention that he could reveal that he had participated in a secret deal with William Casey to delay the release of the hostages.[38] The Task Force has found the testimony of the CIA and DOJ personnel to be credible and fully consistent with contemporaneous documentary evidence that the CIA and William Casey, in particular, did not intercede to assist Hashemi and, in fact, declined to do so when given an opportunity by the Department of Justice.

2. Efforts to Dismiss the Case Against Hashemi in Exchange for Future Assistance to the CIA

In October 1983, John Shaheen approached Director Casey and suggested that the CIA utilize the services of Cyrus Hashemi to provide future assistance to the CIA.[39] Shaheen claimed

that he was unaware that Hashemi was under investigation by federal law enforcement agencies at the time.[40] The CIA notified the FBI of Shaheen's inquiries and, in March 1984, the FBI interviewed Shaheen and asked him, among other things, about his contacts with Hashemi and Casey.[41] Shaheen continued to make contact with the CIA to encourage them to utilize Hashemi but was eventually informed that Hashemi was "off limits." [42]

On March 2, 1984, Elliott Richardson called the CIA Chief of the Near East Division and related that he had spoken with William Casey to inquire whether the agency would be interested in utilizing Cyrus Hashemi in the future.[43] The Near East Chief stated that he would not turn away any information which would be of use to the United States.[44] However, the CIA official stated that there would not be any "quid pro quo" for any future assistance but they would let the "matter run its course." [45]

On June 14, 1984, Casey met with his general counsel Stanley Sporkin and other CIA officials to discuss a telephone call that Casey had received from Shaheen in which Shaheen told Casey that Hashemi had called from London to say that he had information on Iran to pass on to the CIA.[46] At this meeting it was decided by Director Casey that the agency would not receive information from or be in contact with Hashemi because of the fact that he remained outside the United States to evade the indictment pending against him.[47] In the presence of General Counsel Sporkin and the other senior officials, Director Casey called Shaheen and informed him that the agency wanted nothing to do with the Hashemis.[48] A few minutes later, Shaheen called Casey back to apparently assure Casey that he, Shaheen, had not mentioned the Director's name to Hashemi. Casey, in the presence of General Counsel Sporkin, told Shaheen that he did not care if Shaheen had mentioned Casey's name, but that he did not want the agency involved in the Hashemi brothers' problems with the Department of Justice and did not want to discuss the matter further.[49]

Although he had previously been told that Hashemi was "off limits" and would not be used by the CIA to provide assistance, CIA documents indicated that John Shaheen again called the CIA Deputy Near East Division Chief on July 13, 1985.[50] On that occasion, Shaheen apparently proposed that Hashemi could assist the CIA in efforts to facilitate the release of the American hostages then being held in Lebanon.[51] At that point, Hashemi had apparently provided the CIA helpful information regarding kidnapped CIA officer William Buckley and certain other American hostages in Lebanon.[52]

Documents recording the July 1985 contact by Shaheen indicate that Hashemi, in connection with the State Department, had agreed to set up a meeting between West German and Iranian officials in connection with the Lebanese hostages but did not want to do so without assurances that his criminal case would be dismissed.[53] The CIA took the position that no discussion of intervention in Hashemi's legal problems would take place until after the meeting took place in West Germany.[54] This position was repeated to Hashemi's counsel, Elliot Richardson, on the following day.[55] Subsequently, Richardson telephoned Casey directly for greater assurances. Casey declined to speak with Richardson directly and instructed the call be returned by the Deputy Chief of the Near East Division who informed Richardson that the CIA's position had not changed.[56] Hashemi apparently agreed to set up the meeting without receiving prior assurances of CIA intervention on his behalf.[57]

3. Hashemi's Assistance to the Customs Service

In late 1985, the Customs Service sought to use Cyrus Hashemi, who was still living outside the United States, as an undercover operative.[58] The Customs Service used Hashemi to pursue arms dealers who were violating United States law both here and overseas. In April 1986, the United States Attorney's Office for the Southern District of New York and the Customs Service announced the indictment of 17 arms traffickers who were referred to as the "Merchants of Death." [59]

The previous month, on March 26, 1986, Hashemi had returned to the United States and entered a "Not Guilty" plea in the pending case against him and was released on bond. Cyrus Hashemi died before he could be brought to trial.

Because the Customs Service refused to provide the Task Force access to its files on the Hashemi assistance in the "Merchants of Death" case, it is somewhat unclear to what

extent they assisted him with his pending case or what the course of the prosecution might have been had Cyrus Hashemi lived. However, it is, nevertheless, clear that while Hashemi did assist the Customs Service in an undercover capacity, there is no evidence that he obtained any special treatment in the handling of his case.

D. Death of Cyrus Hashemi

One of the recurring areas of speculation in the "October Surprise" story concerns the death of Cyrus Hashemi in July 1986. Hashemi died in London after a very brief hospitalization from acute myeloblastic leukemia. Because of his role as an informant in a 1985–1986 United States Customs arms "sting" operation and because of the assertions of his involvement in the "October Surprise" allegations, many questions were raised about his death. Houshang Lavi actually claimed that Hashemi had been assassinated by United States government agencies [60]—a charge that was thoroughly investigated by the United States Customs Service. Ari Ben-Menashe joined the claim by alleging that Special Agent Joseph King of the United States Customs Service was the last man to leave Hashemi's London apartment.[61]

In early 1987, Houshang Lavi began telling various news organizations that he believed Cyrus Hashemi's death was the result of foul play and that Special Agent Joseph King of the United States Customs Service had made statements to Lavi indicating that United States Customs agents were either involved in, or knowledgeable about, the circumstances of Hashemi's death. Lavi initially claimed that he had these conversations with Special Agent King on tape, but was unable to produce the tapes, later saying that he had, in fact, not recorded the conversations.

On March 30, 1987 Lavi was interviewed under oath by Senior Special Agents of the United States Customs Service Office of Internal Affairs at his home in Plainview, New York. Lavi explained to the agents about his background with the United States Customs Service generally and his association with Special Agent King specifically. He said that he had provided Agent King with information concerning arms shipments in return for cash payments.[62] Lavi also told the agents that he was "expecting to receive $25,000" from King as a result of assistance he had provided, but had not received it.[63]

Lavi told the agents that he first met Cyrus Hashemi about a year or two earlier when Agent King called Lavi in Las Vegas and "told me that he needed me to come to New York. That's the time that I met Dr. Hashemi." [64] He went on to state that he did not have any private conversation with Hashemi and was not aware of the relationship Hashemi had with Agent King.[65]

Lavi told the Internal Affairs Agents that he was not alleging in any way that Agent King was responsible for the death of Hashemi, only that King had told him that.[66] Lavi went on to explain to the Internal Affairs Agents his personal opinion of Agent King as a "sleak" "ambitious" agent who "uses you." [67]

One of the Internal Affairs agents contacted Lavi again on June 26, 1987. He generally reiterated his allegations and indicated that he would provide some proof the following week. That proof was never forthcoming. He also again reiterated his view that the United States Customs Service owed him $25,000 in connection with his assistance to them.[68]

Special Agent King was interviewed by senior Special Agents of the Office of Internal Affairs on July 9, 1987. He indicated under oath that he had known Lavi for a number of years. Agent King indicated that he utilized Lavi for a "walk-on" role in an undercover capacity and that he introduced Lavi to Cyrus Hashemi, who was also cooperating in the investigation, in early 1986. King indicated that because of Hashemi's role as a critical witness in the case of *United States v. Samuel Evans,*[69] he (King) was concerned about the circumstances of Hashemi's death. He indicated that after Hashemi died Lavi called Agent King expressing concern for his own safety and speculating that, if the death was not natural, suspects ranged from Israeli Intelligence, Iranian Intelligence, United States Intelligence, Adnan Khashoggi and Sam Evans. King told Lavi that if he was concerned about his safety, King would arrange for protection. Lavi declined the offer.

King concluded his interview by saying that he had no participation in or knowledge of the death of Cyrus Hashemi.

On December 18, 1987, the United States Customs Service concluded its investigation by noting:

> This investigation has disclosed no information which tends to substantiate the allegation by Houshang Lavi that Special Agent Joseph King or any other Customs official was responsible for, or knowledgeable of any of the circumstances surrounding the death of Cyrus Hashemi.[70]

On June 5, 1992, the Task Force interviewed Dr. I.E. West at the United Medical and Dental Schools of Guy's and St. Thomas' Hospitals (University of London, Division of Forensic Medicine, Guy's Hospital, London.) Dr. West is one of the most experienced and respected forensic pathologists in the United Kingdom.

Dr. West stated that he was asked to perform the autopsy because of the particular circumstances surrounding Mr. Hashemi. Dr. West recalled being told that Hashemi was a major witness for the prosecution in an arms smuggling case, that he felt particularly tired and weak after a tennis game, was admitted to Cromwell Hospital, and died within a week of acute myeloblastic leukemia.

Dr. West was particularly looking for any evidence of a suspicious nature surrounding the death. The autopsy was observed by two officials of New Scotland Yard and a representative of the office of the United States Customs Service attache in London.

Dr. West indicated that he found no evidence whatsoever that Hashemi's death was from other than natural causes. He indicated that he was aware of no circumstances under which acute myeloblastic leukemia could be induced under the conditions present. He was also aware of no suggestion in any of the medical literature, nor from any conversations with colleagues, that such a condition could be induced as was present in Mr. Hashemi.

While he indicated that it was "incredulous" that an individual would not realize that he is ill, he indicated that it would manifest itself with a "malaise," that the individual would become more tired more quickly.[71]

He explained the apparent speed with which Cyrus Hashemi died by noting that spontaneous bleeding into the body is a characteristic of myeloblastic leukemia. It often becomes visible as bruises under the skin. In Hashemi's case, he bled into his brain stem. It may have been the first significant bleeding that took place and was perhaps the worst place in the body to have that kind of bleeding occur. Dr. West indicated there were no drugs he was aware of that could induce this type of leukemia. In any case, for drugs to act with any measure of speed, radiation would likely be needed as an accelerator. He noted that there was no evidence of radiation.

Dr. West was also specifically asked about reports that Hashemi had puncture marks on each of his elbows. He was referred to the section of his autopsy which noted "injection sites on both elbows with surrounding bruising." Dr. West indicated that such injection sites were common on patients that had died following treatment in the hospital. He explained that the injection sites were on the inside of the elbow, not the back of the elbow and pointed to the crease on the front of the arms between the forearm and the upper arm. This was the site from which blood samples would be drawn or intravenous tubes inserted. Dr. West indicated that there had evidently been a misunderstanding by some that referred to injection marks on the back of the elbow, which was not the case.

In sum, Dr. West indicated that if this were a successful method of assassination, one would likely see evidence of it. While a second case similar to Hashemi's would be "fascinating," a single case does not lead to the conclusion that Hashemi's death was anything other than a natural death. The Task Force has found no evidence to contradict Dr. West's conclusion regarding Hashemi's death.

E. Failure to Report the L'Enfant Plaza Meeting

As previously noted the majority believes that the Republicans should have reported to the Carter administration their contact with the individual they met with at the L'Enfant Plaza Hotel in September, 1980 while the minority believes that under the particular circumstances of the meeting, no such notice was necessary. A full discussion of that issue appears in section VII, (F) and need not be repeated here.

Endnotes

1. G. Sick, *October Surprise* at 204-205; *Treason in Washington: New Evidence on the 'October Surprise'*, Executive Intelligence Review (Feb. 1992) at 60.

2. *See* Section IV, *supra*, regarding the authorization of the surveillance.

3. Teletype from FBI New York to FBI Director (Nov. 7, 1980). *See* App. at 982-989.

4. *Id.*

5. Memorandum to the Attorney General re: Request for Use of FISA Information (Mar. 2, 1982). *See* App. at 990-999.

6. *Id.* (citing application to U.S. Foreign Intelligence Surveillance Court No. 80-307 (Nov. 23, 1980)).

7. *Id.*

8. Teletype from FBI New York to FBI Director (Jan. 22, 1981). *See* App. at 1000-1001.

9. Letter from CIA to William H. Webster, Director, FBI (Feb. 11, 1981) (responding to FBI request to survey CIA, Department of State, and other elements of U.S. foreign intelligence community to determine desirability of continued electronic surveillance of Cyrus Hashemi. Survey revealed no continuing need for surveillance "in as much as the original purpose of the authorized surveillance has been satisfied "). *See* App. at 1002. *See also* Teletype from FBI New York to FBI Director (Feb. 13, 1981). *See* App. at 1003-1005.

10. Teletype from FBI New York to FBI Director (Feb. 13, 1981). *See* 1003-1005.

11. Joseph King Interview (May 29, 1992) at 1 (hereinafter "King Int.").

12. *Id.* at 1.

13. Id. at 1.

14. CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984). *See* App. at 494-497.

15. *See* CIA Memorandum from Lee Strickland to Stanley Sporkin (May 18, 1984). *See* App. at 1006-1007. *See also* CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984); Lee Strickland Deposition (Sept. 28, 1992) at 15 (hereinafter "Strickland Dep.").

16. It is common practice for the government to meet with defense counsel immediately prior to indictment to provide one final opportunity to present arguments why an indictment should not be returned, learn more information about the defense the defendant will present at trial or to attempt to negotiate a guilty plea.

17. Strickland Dep. at 16.

18. *Id.* at 16-17.

19. Hashemi Dep. at 73.

20. The United States Customs Service had planned an elaborate "sting" operation to lure Reza Hashemi to a location where he could be apprehended by them and returned to the United States to stand trial. On May 17, 1984, Reza flew to Bermuda where he was expelled into the waiting arms of the United States Customs Service. In spite of his assertions of assistance during the 1980 hostage crisis, the charges were not dropped, he pleaded guilty and was sentenced to one year and one day in prison.

21. Strickland Dep. at 3; John Rizzo Deposition (Sept. 28, 1992) at 10-11 (hereinafter "Rizzo Dep.").

22. This practice is referred to as "gray mail." J. Stanley Pottinger, a potential co-defendant, also attempted gray mail. CIA Memorandum from Deputy General Counsel Ernest Mayerfeld for the Record (Feb. 3, 1982). *See* App. at 1008-1010.

23. CIA Memorandum from Deputy General Counsel Ernest Mayerfeld for the Record (Feb. 3, 1982); Strickland Dep. at 5.

24. *Id.*

25. *Id.*

26. CIA Memorandum from Deputy General Counsel Ernest Mayerfeld for the Record (Feb. 3, 1982).

27. CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984); Strickland Dep. at 11; William Wachtel Interview (Oct. 26, 1992) at 2 (hereinafter "Wachtel Int.").

28. Richardson told the CIA officials at this meeting that he had previously contacted the Department of Justice who did not wish to discuss the matter with Richardson but assured him that he would have an opportunity to be heard before an indictment was issued. CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984).

29. CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984).

30. *Id.*

31. *Id.*

32. *Id.*; Strickland Dep. at 13; Rizzo Dep. at 10.

33. CIA Memorandum from Assistant General Counsel Lee Strickland for the Record (Feb. 7, 1984); Rizzo Dep. at 11, 23-24.

34. Strickland Dep. at 11-12.

35. Rizzo Dep. at 13-14, 20.

36. *Id.* at 24-25.

37. *Id.* at 13-14, 20.

38. *See, e.g.*, Strickland Dep.; Rizzo Dep.

39. FBI Interview of John Shaheen (Feb. 27, 1984). *See* App. at 1011-1015. Strickland Depo. at 10, 13. *See also* section VII, *supra*, regarding the Casey-Shaheen relationship.

40. FBI Interview of John Shaheen (Feb. 27, 1984).

41. *Id.*

42. *Id. See generally* Thomas Twetten Deposition (Sept. 27, 1984) (hereinafter "Twetten Dep.").

43. CIA Memorandum from Near East Chief for the Record (Mar. 2, 1984). *See* App. at 1016. *See also* Strickland Dep. at 14.

44. *Id.*

45. *Id.*

46. CIA Memorandum from General Counsel Stanley Sporkin for Record (Jun. 14, 1984). *See* App. at 1017-1018.

47. *Id.*

48. *Id.*

49. *Id.*

50. Twetten Dep. at 9.

51. *Id.* at 10.

52. CIA Memorandum from Director Casey to Chief, Near East Division (Jun. 17, 1985). *See* App. at 1020-1021.

53. CIA Memorandum from Twetten to Record (Jul. 15, 1985); Twetten Dep. at 11, 19.

54. CIA Memorandum from Twetten to Record (Jul. 15, 1985); Twetten Dep. at 11.

55. CIA Memorandum from Twetten to Record (Jul. 16, 1985); Twetten Dep. at 14-16.

56. CIA Memorandum from Deputy Chief Near East Division for the Record (Aug. 19, 1985); Twetten Dep. at 25-26.

57. CIA Memorandum from Deputy Chief Near East Division for the Record (Jul. 23, 1985). *See* App. at 1019. The individuals that Hashemi offered for a meeting included Manucher Ghorbanifar and Moshen Kangerlou. This suggested meeting became a prelude to "Iran-Contra" meetings involving many of these same individuals.

58. King Int. at 3.

59. *United States v. Samuel Evans*, No. SS 86 Cr. 384 (LBS) (S.D.N.Y. 1986).

60. Transcript, Houshang Lavi Interview by D. Marks (Apr. 14, 1989) at 14-15.

61. A. Ben-Menashe, *Profits of War* at 184.

62. Houshang Lavi Customs Service Interview (Mar. 30, 1987) at 2-3 (hereinafter "Lavi Customs Int.").

63. *Id.* at 3.

64. *Id.* at 4.

65. Statements by Lavi under oath, of course, are contrary to statements he made to reporters and writers subsequently about his relationship with Cyrus Hashemi. Lavi later said he and Cyrus were in Paris together in mid-October, 1980 regarding the October Surprise story.

66. Lavi Customs Int. at 10.

67. *Id.* at 10.

68. Houshang Lavi Customs Service Interview (Jun. 16, 1987).

69. *United States v. Samuel Evans,* No. SS 86 Cr. 384 (LBS) (S.D.N.Y. 1986).

70. U.S. Customs Service Report of Investigation of Alleged Involvement of U.S. Customs Agents in the Death of an Informant (Dec. 18, 1987).

71. Dr. I.E. West Interview (Jun. 5, 1992) at 2.

XII. Joint Recommendations

The Task Force is concerned that certain witnesses may have committed perjury during sworn testimony taken by Task Force staff. Perjured testimony poses a significant challenge to the integrity of Congressional investigative authority. Congress faces tremendous difficulty carrying out its legislative mandate if individuals or organizations provide false testimony or seek to obstruct its operation. The Members of the Task Force were unanimous in their view that probity in the Congressional inquiry process requires the same probity of by witnesses. Consequently, under separate correspondence, the Chairman and Ranking Minority Member of the Task Force will transmit this report to the U.S. Department of Justice together with a joint recommendation that they consider a prosecution of those individuals for perjury. Because the Task Force recognizes that the Department of Justice must evaluate referrals such as this against standards of evidentiary admissibility and the prosecution's traditional burden of proof before deciding whether to proceed, we do not believe it would be appropriate to identify publicly those individuals we believe perjured themselves before the Task Force.

XIII. Task Force Budget, Rules and Procedures

A. Budget

House Resolution 258 authorized the expenditure of funds to conduct the inquiry. The actual Task Force budget was approved with the passage of House Resolution 585 by the House on October 2, 1992. Majority and Minority counsel conducted the investigation in the most economical manner possible, while at the same time maintaining the high standards of thoroughness required by the members of the Task Force. The Congress budgeted 1.35 million dollars for the cost of the investigation.

B. Staff

The first order of business was the hiring of Majority and Minority counsel and their respective staffs. E. Lawrence Barcella, Jr., was hired as Chief Counsel and Richard J. Leon was hired as Chief Minority Counsel.

Chief Counsel, E. Lawrence Barcella, Jr.

E. Lawrence Barcella, Jr. is presently a partner in the Washington office of Katten, Muchin, Zavis and Dombroff. His services were retained by the Task Force because of his experience both as a federal prosecutor and a white-collar criminal defense counsel. Barcella served with the United States Attorneys Office in Washington, D.C. from 1970 to 1986, investigating and prosecuting scores of complex and sensitive cases. Many of these cases involved international arms trafficking, terrorism and fraud, all of which required substantial investigative as well as trial prowess. Since leaving the United States Attorneys Office, Barcella has represented a variety of national and international clients in complex criminal matters and internal investigations.

Chief Minority Counsel, Richard J. Leon

Richard J. Leon is a partner in the Washington office of the law firm Baker & Hostetler, where he specializes in white-collar criminal defense and environmental litigation. Prior to entering private practice, Leon served in a variety of positions at the United States Department of Justice, including Deputy Assistant Attorney General for environmental enforcement, and as a senior prosecutor in the Tax Division's Criminal Section, where he investigated and prosecuted a series of cases of regional and national significance. In addition, Leon served in 1987 as the Deputy Chief Minority Counsel to the United States House Select Iran-Contra Committee.

Messrs. Barcella and Leon were responsible for selecting a legal staff to support them in conducting the investigation and the writing of the report.

1. Majority Staff

Deputy Chief Majority Counsel, Michael F. Zeldin

Before joining the Task Force, Michael Zeldin served as special counsel for money laundering in the Criminal Division of the United States Department of Justice. In this capacity. Zeldin was responsible for coordinating multi-district litigation and international money laundering matters. Prior to assuming this post, Zeldin was the director of the Asset Forfeiture Office and deputy chief of the Narcotic and Dangerous Drug Section in the Criminal Divi-

sion of the United States Department of Justice.

Associate Majority Counsel, Sotiris A. "Ted" Planzos

Sotiris Planzos joined the Task Force after serving as a senior counsel in the Division of Enforcement of the Securities and Exchange Commission in Washington, D.C. Prior to his tenure at the S.E.C., Planzos served for six years as an assistant district attorney in Bronx County, New York, where he conducted investigations and prosecutions involving narcotics trafficking and white collar criminal matters. Planzos worked for the Task Force from March 21, 1992 to September 19, 1992.

Senior Associate Majority Counsel, Nancy Luque

Nancy Luque is an attorney in the Washington office of Katten, Muchin, Zavis and Dombroff. She specializes in white collar criminal matters. Between 1979 and 1982, Luque served as a trial attorney in the United States Department of Justice, and from 1982 through 1989 she was an assistant United States attorney for the District of Columbia.

Associate Majority Counsel, Anne E. Pings

Anne Pings is an associate with the law firm of Katten, Muchin, Zavis and Dombroff, where she specializes in white collar criminal defense.

Associate Majority Counsel, Mark L. Shaffer

Mark L. Shaffer is a partner at the law firm of Freer & Alagia, specializing in national security, ethics, white collar crime, government contracts, and employment-related litigation. He presently serves on the Ethics Rules Committee of the District of Columbia Bar. During 1978 and 1979, he served as a trial attorney and senior trial attorney in the Employment Litigation Section of the Civil Rights Division of the United States Department of Justice. Between 1973 and 1978, he served as a trial attorney and senior trial attorney for the Contra Costa County Public Defender's Office in California.

2. Minority Staff

Minority Staff Director and Special Counsel, John P. Mackey

John P. Mackey served in the Department of Justice as a Deputy Assistant Attorney General and Associate Deputy Attorney General before joining the Task Force on May 1, 1992. Mackey had previously been engaged in private practice in New York and Washington, D.C. His government service also includes duty as a special agent of the FBI from 1968 to 1972.

Deputy Chief Minority Counsel, Gregory W. Kehoe

Gregory W. Kehoe was the first assistant United States attorney for the Middle District of Florida from February 1989 through June 18, 1992 when he joined the Task Force. From March 1983 through February 1989, Kehoe was an assistant United States attorney for the Southern District of Florida, serving as the chief of the office's Northern Division from 1986 until his departure in 1989.

Senior Associate Minority Counsel, David H. Laufman

David H. Laufman is Deputy Minority Counsel to the Committee on Foreign Affairs of the United States House of Representatives, where he has specialized in legislative and investigatory oversight as well as Middle East affairs. Mr. Laufman's services were made available to the Task Force through the good offices of the Hon. William S. Broomfield, Ranking Member of the Committee on Foreign Affairs. Prior to joining the Committee on Foreign Affairs, Mr. Laufman was an associate at the Washington, D.C. law firm of Collier, Shannon, Rill & Scott, specializing in litigation. During the period of 1980–1984, he was an intelligence analyst at the Central intelligence Agency.

Associate Minority Counsel, Gregory A. Paw

Gregory Paw is an associate in the Washington office of Baker & Hostetler, where he specializes in complex civil litigation and white collar criminal defense. Prior to joining Baker & Hostetler in 1989, Mr. Paw served as a law clerk to the Honorable Walter E. Hoffman,

United States District Judge for the Eastern District of Virginia.

3. Investigative Agents

In addition to the legal staff, the Task Force employed the services of six agents detailed from three federal government investigative agencies.

The Federal Bureau of Investigation detailed four agents to the Task Force.

Vann F. Fleming, Special Agent, Federal Bureau of Investigation

Vann Fleming has been a special agent since 1970, serving with the Bureau in San Francisco, Seattle, and New York, and Washington. Mr. Fleming worked on the Task Force from April to August, 1992.

Larry J. Mitchell, Special Agent, Federal Bureau of Investigation

Special Agent Larry Mitchell joined the FBI in 1982. He has been assigned to Atlanta, Houston, and Washington.

Elizabeth J. Hemenway, Special Agent, Federal Bureau of Investigation

Special Agent Hemenway is currently a relief supervisor assigned to Squad I-1, New York City, New York. She has been a special agent since 1984, serving in Milwaukee and New York.

Harry A. Penich, Special Agent, Federal Bureau of Investigation

Special Agent Penich is currently the principal relief supervisor on a New York FBI squad. Prior to the Bureau, Penich spent six years as an assistant district attorney in western Pennsylvania.

Douglas R. Edmonson, Special Agent, Federal Bureau of Investigation

Special Agent Edmonson joined the FBI in April, 1987. He has served since that time in Washington, D.C. Special Agent Edmonson was assigned to the Task Force on August 10, 1992.

The Treasury Department's Bureau of Alcohol, Tobacco, and Firearms and the United States Customs Service each detailed one agent.

Richard A. Pedersen, Senior Special Agent, Bureau of Alcohol, Tobacco and Firearms, United States Department of the Treasury

Special Agent Pedersen has been with ATF for 23 years concentrating on major international arms trafficking investigations. Before joining the Task Force, Pedersen was assigned to the Office of Internal Affairs.

Thomas D. Baumgardner, Supervisory Special Agent, United States Customs Service

Baumgardner has been a special agent with Customs for 20 years. For the past 10 years, he has investigated illegal exports and diversions both of munitions and high technology.

The United States Customs Service assigned another agent, Joseph F. King, for 30 days because of his specific case-related knowledge.

4. Task Force Staff

Michael W. Cook served as chief clerk and administrator of the Task Force. Paul M. Joyal served as security specialist. Richard C. Lewis served as press secretary to the majority and Lisa Rich and Valri Couser served as staff assistants to the majority. Julia Gains served as the minority staff assistant. Charles Ratcliff, computer specialist, was detailed from House Information Systems to help computerize Task Force records.

The Task Force also retained the services of a former detective chief inspector of Scotland Yard to assist with European inquiries.

Finally, each Member of Congress serving on the Task Force assigned a staff member to support the work of the permanent Task Force staff.

C. Rules

The Task Force passed an extremely restrictive set of rules at the outset of the investigation, which were designed to insure to the maximum extent possible the confidentiality of the investigation. Those rules are attached in the appendix at page 1037-66.

62-366 - 93 - 9

D. Security Measures

The protection of classified material was a high priority for the Task Force. In order to accomplish this goal, Task Force security specialist Paul M. Joyal, established procedures for securing working areas and documents.

All classified documents or internal products marked "Task Force Confidential" were entered into a registration system which ensured that any retrieval, copying, or destruction of a document was recorded. Documents were placed in folders with identification numbers issued in chronological order. These were all stored within approved containers for classified storage. Individual documents, cables, and reports which were delivered to the Task Force in groups were date stamped for accountability and tracking. Other records were optically captured through computer imaging systems and software. Once scanning of documents was completed, they were further processed with Optical Character Recognition (OCR) software, allowing the Task Force to import the document into a database program for rapid research and analysis. This system gave the Task Force the ability to retrieve text rapidly through key word and proximity reference searching. From the time when the Task Force received its first batch of classified material, United States Capitol police controlled access to the office during non-working hours.

E. Office Space and Equipment

The Task Force was housed in the Ford House Office Building (House Annex II). In late August, the Task Force acquired a security vault to house classified documents, a secure conference room to conduct witness interviews and depositions, and several attorney offices.

Retiring Representative Dymally has declined to sign the report.

Additional Minority Views

Additional Minority Views

While an investigation of this kind does not normally uncover flaws in the way Congress conducts its business, the Minority Members of the Task Force believe strongly that in this case it did. Specifically, upon reviewing the events that led to the formation of the Task Force, the Minority Members are particularly concerned about: (1) the precedent of the General Accounting Office ("GAO") conducting, in essence, a secret investigation at the direction of the Majority into the political activities of Republican campaign officials without informing the House Minority Leadership of the investigation and without keeping it updated on its progress; and (2) the precedent of a senior House Foreign Affairs Committee staffer sending a letter to a Federal Judge under his own name seeking the reduction of a sentence of a convicted felon without first coordinating with the Congressional leadership, both Majority and Minority, and the Ranking Republican of the House Foreign Affairs Committee. Based on the reasons set forth below, the Minority Members make the following recommendations to obviate these problems in the future:

Recommendation One:

Investigations by GAO's Office of Special Investigations Should, and Must, be Bipartisan in Nature

The Minority Members firmly believe that the work of the GAO's Office of Special Investigations should, and must, be bipartisan in nature if it is to be viewed as anything more than a publicly funded private investigating agency for the Majority party in the House of Representatives. To that end, once the GAO has been requested to pursue an investigation, that request should be brought immediately to the attention of the appropriate counsel of the opposite party. Thereafter, the investigators assigned, at a minimum, should keep the opposing counsel regularly informed of the developments of the investigation, and copy counsel with all relevant memoranda and correspondence.

The corrosive effect of not following procedures of this kind is directly evident in this case. From the outset, when the Subcommittee of the House Government Operations Committee requested the Office of Special Investigation in July 1990 to undertake an investigation of the activities of 1980 Reagan/Bush campaign officials, the Majority additionally requested that the Subcommittee not be identified as having requested the inquiry.[1] Thereafter, despite numerous meetings with Majority Staff, investigative journalists, and witnesses, the GAO failed to notify the House Minority of the existence of the investigation.[2]

Moreover, not only did the GAO conduct an inquiry concealed from the Minority, but it decided during a conversation with Majority staff to terminate the inquiry in February 1991, and issue no written report as to its findings.[3] Three months later, the Minority Members of the House finally learned of the investigation and, at their request were briefed for the first time on May 20, 1991.

Without recounting the vitriolic debate that ensued in the House in reaction to this sequence of events supposedly initiated to "lift the cloud over the Administration", it is abundantly clear that the reputation for impartiality of the GAO, in general, and its Office of Special Investigations, in particular, has suffered greatly. The Minority Members sincerely hope that in the future such private investigations into the political conduct of members of the opposing party will be neither initiated, nor tolerated, by the GAO and the Majority leadership of the House. To that end, appropriate

steps should be taken internally to insure that such an investigation cannot recur.

Recommendation Two:

Any Communication with the Federal Judiciary, by or on Behalf of the House of Representatives or one of its Committees, Regarding the Sentencing of a Convicted Person Must be Coordinated with and Through the Counsels to the Speaker and the Minority Leader, as well as the Counsels to the Chairman and Ranking Minority Member of the Appropriate Committee

In the instant case, the Chief Counsel to the House Foreign Affairs Committee sent a letter on January 10, 1992, under his own name, to a Federal Judge in the Eastern District of New York seeking to reduce the sentence of a convicted felon for his supposed "substantial assistance" in an "on-going [Congressional] investigation" and his anticipated "substantial assistance in the future" [4] Putting aside the fact that the nature and character of the felon's assistance at that point had not been brought to the attention of, let alone evaluated, by the Minority Members and Staff of the House Foreign Affairs Committee, the "on-going" investigation to which the Chief Counsel was referring had already been assigned by the Speaker to a special Task Force of House Members, which, although not yet created by Resolution, was not even consulted about the letter. In addition, as was pointed out at the sentencing by the prosecutor from the Department of Justice, the nature and the contents of Stoffberg's supposed cooperation was also being kept from the Department, at the Chief Counsel's direction, such that it was unable to evaluate the credibility of the "assistance" he was providing.[5]

The Minority Members firmly believe that the sentencing of convicted felons is one of the most sensitive and delicate responsibilities entrusted to the Federal Judiciary and the Department of Justice. Before the Congress of the United States takes the highly unusual step of inserting itself into the sentencing process, we believe that due consideration must be given by the leadership of this institution, on both sides of the aisle, as to when, and whether, to seek to influence that process based upon the supposed interests of the House of Representatives. Moreover, the Minority Members believe that absent extraordinary circumstances, the House's effort should be coordinated with the Department of Justice and that the Department of Justice's input should be sought regarding any past and perspective cooperation.

In this situation, a United States District Judge in fact reduced the sentence of a felon who he believed to be a "dangerous man" [6] by four and a half months explicitly because of his belief that "[c]omity between the independent branches of government suggests the desirability of assisting Congress in its important work where there is not strong conflict with a court's other sentencing responsibilities." [7] Thus, he did so based on a representation of a past and future cooperation, which ultimately did not prove to be true.[8] Prudence dictates that before another Federal Judge is similarly imposed upon, that this House insures itself that any such communication, in fact, reflects the collective judgment of its entire leadership as to the appropriateness of the request.

Submitted By:

HENRY J. HYDE.
JIM LEACH.
OLYMPIA SNOWE.
DOUG BEREUTER.
PORTER J. GOSS.

Endnotes

1. *Congressional Record,* November 8, 1991, at H9585.
2. *Congressional Record,* November 8, 1991, at H9586.
3. *Id.*
4. *See* Letter from Chief Counsel, Committee on Foreign Affairs, to Hon. Jack B. Weinstein, Jan. 10, 1992, *reprinted in Congressional Record,* February 5, 1992, at H308. (Attachment 1).
5. *See* Sentencing transcript of Dirk Stoffberg, January 14, 1992, cited in Section VII of this Joint Report; *see also* Letter of Assistant Attorney General Lee Rawls to Congressman H. Hyde, Feb. 4, 1992, *reprinted in Congressional Record,* February 5, 1992, at H310-311. (Attachment 1).
6. *See* Sentencing transcript of Dirk Stoffberg, January 14, 1992, cited in Section VII of this Joint Report.
7. *See* Sentencing Memorandum and Order in *U.S. v. Stoffberg,* (January 15, 1991), at 6 (Attachment 2); *see also* Sentencing transcript of Dirk Stoffberg (January 14, 1992), at 26, cited in Section VII of this Joint Report. During Stoffberg's sentencing, Judge Jack B. Weinstein stated: "It is true that Congress is primarily a law making, and not an investigating body. However, we all know that its investigations are critical in law making as well as in informing the public with respect to what is happening in our society and Government. Not only that, but many of its investigations result ultimately not only in legislation, but in prosecutions of one kind or another. Therefore, cooperation with Congress should be treated as on an equal level with cooperation with Courts. They're both independent bodies under our Constitution." *Id.*
8. *See* discussion of Dirk Stoffberg's testimony before the Task Force at Section VII of this Joint Report.

Appendixes

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 250, noes 161, not voting 23, as follows:

[Roll No. 7]

AYES—250

Abercrombie	Guarini	Pastor
Ackerman	Hall (OH)	Patterson
Alexander	Hall (TX)	Payne (NJ)
Anderson	Hamilton	Payne (VA)
Andrews (ME)	Harris	Pease
Andrews (NJ)	Hatcher	Pelosi
Andrews (TX)	Hayes (IL)	Penny
Annunzio	Hayes (LA)	Perkins
Anthony	Hefner	Peterson (FL)
Applegate	Hertel	Peterson (MN)
Aspin	Hoagland	Pickett
Atkins	Hochbrueckner	Pickle
AuCoin	Horn	Poshard
Bacchus	Hoyer	Price
Barnard	Hubbard	Rahall
Beilenson	Huckaby	Rangel
Berman	Hughes	Ray
Bevill	Jacobs	Reed
Bilbray	Jefferson	Richardson
Blackwell	Jenkins	Roe
Bonior	Johnson (SD)	Roemer
Borski	Johnston	Rose
Boucher	Jones (GA)	Rostenkowski
Boxer	Jones (NC)	Rowland
Brewster	Jontz	Roybal
Brooks	Kanjorski	Russo
Browder	Kaptur	Sabo
Brown	Kennedy	Sanders
Bruce	Kennelly	Sangmeister
Bryant	Kildee	Sarpalius
Bustamante	Kleczka	Savage
Byron	Kopetski	Sawyer
Campbell (CO)	Kostmayer	Scheuer
Cardin	LaFalce	Schroeder
Carper	Lancaster	Schumer
Chapman	LaRocco	Serrano
Clement	Laughlin	Sharp
Collins (IL)	Lehman (CA)	Sikorski
Collins (MI)	Lehman (FL)	Sisisky
Condit	Levin (MI)	Skaggs
Conyers	Lewis (GA)	Skelton
Cooper	Lipinski	Slattery
Costello	Lloyd	Slaughter
Cox (IL)	Long	Smith (FL)
Coyne	Lowey (NY)	Smith (IA)
Cramer	Luken	Solarz
Darden	Manton	Spratt
de la Garza	Martinez	Staggers
DeFazio	Matsui	Stallings
DeLauro	Mavroules	Stark
Dellums	Mazzoli	Stenholm
Derrick	McCloskey	Stokes
Dicks	McCurdy	Studds
Dingell	McDermott	Swett
Dixon	McHugh	Swift
Donnelly	McMillen (MD)	Synar
Dooley	McNulty	Tallon
Dorgan (ND)	Mfume	Tanner
Downey	Miller (CA)	Tauzin
Durbin	Mink	Taylor (MS)
Dwyer	Moakley	Thornton
Early	Mollohan	Torres
Eckart	Montgomery	Torricelli
Edwards (TX)	Moody	Towns
Engel	Moran	Traficant
English	Murphy	Traxler
Erdreich	Murtha	Unsoeld
Espy	Nagle	Valentine
Evans	Natcher	Vento
Fascell	Neal (MA)	Visclosky
Fazio	Neal (NC)	Volkmer
Feighan	Nowak	Washington
Flake	Oakar	Waxman
Foglietta	Oberstar	Weiss
Ford (TN)	Obey	Wheat
Frank (MA)	Olin	Williams
Frost	Oliver	Wilson
Gejdenson	Ortiz	Wise
Gephardt	Orton	Wolpe
Geren	Owens (NY)	Wyden
Gibbons	Owens (UT)	Yates
Glickman	Pallone	Yatron
Gonzalez	Panetta	
Gordon	Parker	

NOES—161

Allard	Ballenger	Bentley
Allen	Barrett	Bereuter
Archer	Barton	Billirakis
Armey	Bateman	Billey
Baker	Bennett	Boehlert
Boehner	Herger	Ramstad
Broomfield	Hobson	Ravenel
Bunning	Holloway	Regula
Burton	Hopkins	Rhodes
Callahan	Horton	Ridge
Camp	Houghton	Riggs
Campbell (CA)	Hunter	Rinaldo
Chandler	Hyde	Ritter
Clinger	Inhofe	Roberts
Coble	Ireland	Rogers
Coleman (MO)	James	Rohrabacher
Combest	Johnson (CT)	Ros-Lehtinen
Coughlin	Kasich	Roth
Cox (CA)	Klug	Roukema
Crane	Kolbe	Santorum
Cunningham	Kyl	Saxton
Davis	Lagomarsino	Schaefer
DeLay	Leach	Schiff
Dickinson	Lent	Schulze
Doolittle	Lewis (CA)	Sensenbrenner
Dornan (CA)	Lewis (FL)	Shaw
Dreier	Livingston	Shays
Duncan	Lowery (CA)	Shuster
Edwards (OK)	Machtley	Skeen
Emerson	Marlenee	Smith (NJ)
Ewing	Martin	Smith (OR)
Fawell	McCandless	Smith (TX)
Fields	McCollum	Snowe
Fish	McCrery	Solomon
Franks (CT)	McDade	Spence
Gallegly	McEwen	Stearns
Gallo	McGrath	Stump
Gekas	McMillan (NC)	Sundquist
Gilchrest	Meyers	Taylor (NC)
Gillmor	Michel	Thomas (WY)
Gilman	Miller (OH)	Upton
Gingrich	Miller (WA)	Vander Jagt
Goodling	Molinari	Vucanovich
Goss	Moorhead	Walker
Gradison	Morella	Walsh
Grandy	Myers	Weber
Green	Nichols	Weldon
Gunderson	Nussle	Wolf
Hammerschmidt	Oxley	Wylie
Hancock	Packard	Young (AK)
Hansen	Paxon	Young (FL)
Hastert	Petri	Zeliff
Hefley	Porter	Zimmer
Henry	Quillen	

NOT VOTING—23

Carr	Hutto	Morrison
Clay	Johnson (TX)	Mrazek
Coleman (TX)	Kolter	Pursell
Dannemeyer	Lantos	Thomas (CA)
Dymally	Levine (CA)	Thomas (GA)
Edwards (CA)	Lightfoot	Waters
Ford (MI)	Markey	Whitten
Gaydos	Mineta	

□ 1541

The Clerk announced the following pair:

On this vote:

Mr. DYMALLY for, with Mr. THOMAS of California against.

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—RESOLUTION AUTHORIZING HOUSE BIPARTISAN LEGAL ADVISORY GROUP TO CONDUCT INQUIRY INTO FACTS AND CIRCUMSTANCES SURROUNDING SENTENCING OF DIRK STOFFBERG

Mr. McEWEN. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 342) and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. MURTHA). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 342

Whereas on January 10, 1992, the chief counsel of the House Committee on Foreign Affairs wrote to the U.S. District Court for the Eastern District of New York requesting leniency in the sentencing of Mr. Dirk Stoffberg, a convicted arms dealer, on grounds that he had provided the committee with evidence regarding the so-called "October Surprise;"

Whereas the chief counsel's letter was sent on committee letterhead purporting to be on behalf of the "House Committee on Foreign Affairs . . . in an ongoing investigation;"

Whereas the U.S. District Court consequently granted the request for a reduced sentence on grounds that, "Comity between independent branches of government suggests the desirability of assisting Congress in its important work where there is no strong conflict with a court's other sentencing responsibilities;"

Whereas the Federal District judge further indicated in his sentencing "Memorandum and Order" that, "were it not for the intervention of Congress," the defendant would have been sentenced to a longer term of imprisonment "because he threatened violence during the course of his criminal activity;"

Whereas neither the House, the Committee on Foreign Affairs nor any subcommittee thereof has ever authorized an investigation into the "October Surprise" allegations;

Whereas the House Bipartisan Legal Advisory Group has not authorized any intervention in the sentencing proceeding on behalf of the House or any of its committees;

Whereas at the time the chief counsel's letter was submitted to the U.S. District Court a resolution authorizing a special task force investigation into the "October Surprise" allegations was still pending in the House and had not yet been acted upon;

Whereas the misrepresentations of the position of the House and it committees in a judicial proceeding by an employee affects the rights of the House collectively, its dignity, and the integrity of its proceedings, and thereby raised a question of the privileges of the House under Rule IX: Now, therefore, be it

Resolved, That the House Bipartisan Legal Advisory Group (consisting of the Speaker, the majority and minority leaders, and the majority and minority whips) is hereby authorized and directed to inquire fully into the facts and circumstances surrounding the intervention by the chief counsel of the House Committee on Foreign Affairs in the sentencing of Mr. Dirk Stoffberg by the U.S. District Court for the Eastern District of New York and to submit to the House at the earliest practicable date, but not later than 45 legislative days after the adoption of this resolution, its findings thereon together with any actions taken or recommendations made in response to such incident or to prevent the recurrence of such unauthorized interventions in judicial proceedings by House Members, officers, or employees.

The SPEAKER pro tempore. The resolution constitutes a question of the privileges of the House.

The gentleman from Ohio [Mr. MCEWEN] is recognized for 1 hour.

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under House Rule IX, a question of privilege is anything "af-

fecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings."

In section 662 of the House Rules and Manual for the 102d Congress, which contains a summary of the precedents relating to questions of privilege, there are two particular instances which are similar to the question of privilege which I have raised today.

In the first instance, a resolution was offered on February 13, 1980, questioning the property of a response by an officer of the House to court subpoenas for papers of the House without notice to the House, and requiring a committee to investigate.

In the second instance cited in the precedents, a resolution was offered on March 22, 1990, alleging improper representation by counsel of the legal position of Members in a brief filed in the court and directing the withdrawal of the brief.

In both instances, the Speaker held that the misrepresentation of the position of the House, or judicial intervention without proper authorization, affected the rights and integrity of the House and therefore raised a legitimate question of House privileges.

Today we have before us yet another instance of a judicial intervention by an employee of the House claiming to represent the position of the House through one of its committees when in fact neither the House nor the committee involved had authorized the investigation nor the judicial intervention by the employee.

On January 19, 1992, the chief counsel of the House Committee on Foreign Affairs wrote to a Federal district judge in New York requesting a reduced sentence for a convicted arms dealer on grounds that he had cooperated in an on-going investigation by the committee into the so-called October Surprise.

Based on this representation, the judge reduced the sentence from 13 months to the 8½ months already served based on "the desirability of assisting Congress." The judge went on to make clear that the arms dealer would have received a longer term of imprisonment, and I quote, "were it not for the intervention of Congress."

The only problem with all of this Mr. Speaker, other than the unprecedented intervention by an self-appointed agent of Congress in a judicial sentencing proceeding, is that the so-called on-going investigation by the Committee on Foreign Affairs into the October Surprise matter had not been authorized by the Congress or the committee so represented.

Neither, for that matter, had the committee authorized its chief counsel to ask the court to reduce the sentence of the convicted arms dealer. The fact is, the committee was not even made aware of any evidence obtained from the arms dealer or that the chief counsel was bargaining for a reduced sentence in return for such information. This kind of unauthorized activity by a committee employee is one of the most outrageous things I have ever witnessed since coming to this Congress 11 years ago. And other Members who have been around here much longer than I have voiced similar sentiments.

Mr. Speaker, nothing affects the rights, privileges, dignity and integrity of the proceedings of the House more than the misrepresentation of the position of the peoples House, especially when that misrepresentation takes place before a Federal district court.

But what is especially galling in this particular case is claiming to represent the interests of the House on a matter on which the House has not yet spoken, and that authority is used to spring a convicted felon from jail.

At a time when the Congress is already reeling from low public approval ratings, what could hurt more than the appearance that we are springing crooks for rumors? This isn't an arms for hostages scandal; It's an arms dealers for hogwash scandal. And this action has put the House of Representatives right in the middle of the slop.

Mr. Speaker, let us just presume for a moment that this convicted felon just might have some information of interest and value to this House. Even if that were the case, that is no justification for one to unilaterally cut a deal on behalf of the House to free a crook from prison sooner than he otherwise would have served.

If the felon has such information, there are ways for the House to legitimately obtain it without resorting to such shady deals. We have committees with subpoena authority. And more importantly, Democrats are seeking to railroad creation of a special task force to investigate this very matter and give it subpoena authority.

If this convicted arms dealer refuses to cooperate with a duly constituted entity of this House acting under proper authority and procedures, we would have every right to find him in contempt and enforce that in the courts. Instead of a shorter prison sentence, he would be facing a longer one.

If anything, such unilateral action has made it more difficult for a proper body of this House to obtain sworn testimony. The integrity of our proceedings and our ability to discover the truth have been interfered with and threatened by such loose cannons on our deck, acting on their own.

Mr. Speaker, the resolution I have offered today as a question of the privileges of the House, after reciting the facts of the situation in the preamble, directs the Bipartisan Legal Advisory Group of the House to inquire into the facts and circumstances surrounding this judicial intervention and report back to the House its findings and recommendations.

Specifically, it calls on the legal advisory group to report back to us at the earliest practicable date on any actions taken or recommendations it has to address the immediate situation, as well as any recommended policies for the future conduct of House Members, officers or employees involving judicial proceedings.

The bottom line is that we cannot allow people claiming to represent the House or its committees to take unauthorized actions that misrepresent the position of this House.

This is especially true when those actions are potentially embarrassing and can bring this body further shame, dishonor and disrepute in the eyes of the citizenry.

And nothing could be more embarrassing than negotiating shady deals with the dregs of the earth to spring them from prison.

Those who lie down with dogs get up with fleas; and in the process, they cover us with sleaze. We don't need that in this House. Let's do the right thing and adopt this resolution so that corrective action can be taken immediately and we can hopefully avoid such embarrassments in the future.

□ 1550

Mr. Speaker, I reserve the balance of my time, and, out of respect and comity to the socialist Democrat side of the aisle, I yield 10 minutes to the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I wonder if the gentleman from Ohio [Mr. MCEWEN] would yield to some of the other Members on his side.

Mr. MCEWEN. I would be pleased to do that.

Mr. Speaker, I yield 5 minutes to the ranking member of the Committee on Rules, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Ohio [Mr. MCEWEN] for yielding this time to me. Let me commend the gentleman from Ohio, one of the most astute Members of this House when it comes to the very complicated rules of the House, on offering this privileged resolution regarding an unauthorized and misrepresentative court intervention by a House employee.

Mr. Speaker, it seems to me that the gentleman from Ohio [Mr. MCEWEN] has put his finger on two very important institutional issues in this resolution, one relating to unauthorized investigations, and the other relating to misrepresenting the position of the House in a judicial proceeding.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida [Mr. FASCELL], my very good friend.

Mr. FASCELL. Mr. Speaker, the gentleman from New York [Mr. SOLOMON] and the gentleman who preceded him have used some very strong language on allegations which lay the predicate for making this resolution a privilege. I just wanted to point out that on the record those facts are not

H 308

proven, they are mere allegations being made, and they are totally unsubstantiated.

Now let me ask a question, if the gentleman will be kind enough, and I will not try to use up his time. I will just get to the point very quickly.

The Committee on Foreign Affairs is duly constituted in this House to carry out its functions; is it not?

Mr. SOLOMON. Mr. Speaker, let me just say to the gentleman from Florida [Mr. FASCELL] that I intend to cite the rules of the House, and, when I use terms like "underauthorized" or "misrepresentative court intervention," I truly believe they are. I do not cast any aspersions on the gentleman. I believe these actions are in violation of the rules of the House, and I intend to prove it here in a few minutes.

Mr. FASCELL. I appreciate that. I just wanted to be clear at this point that, first, the Committee on Foreign Affairs is duly constituted; second, I was duly elected chairman of that committee; third, that I directed and authorized my general counsel to do what he did under my direction.

Mr. SOLOMON. I do not know about the last one, but I can certainly attest to the first two because I served with the gentleman for 6 years. I certainly know he is a very good chairman of the Committee on Foreign Affairs.

Mr. FASCELL. I thank the gentleman. I just wanted to get it straight that it is one thing to allege misrepresentation and lack of authority. That is a factual matter. I just wanted to be here as chairman to take the responsibility to say to the House, to my distinguished colleagues who are supporting this resolution, "You don't need an inquiry. I authorized what was done. It was my staff member who did it under my direction.

Mr. SOLOMON. Mr. Speaker, if that is the case, I would say the gentleman probably erred, but certainly he would not have if he knew better.

Mr. FASCELL. One more thing.

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, if the gentleman will read the letter in the RECORD so I do not have to read it, it does not request the judge to reduce the sentence.

Now the gentleman who spoke before said this was a direct request to reduce the sentence.

Mr. SOLOMON. Mr. Speaker, I thank my very good friend, the gentleman from Florida [Mr. FASCELL], the chairman of the Committee on Foreign Affairs who I have the greatest respect for, and his staff as well.

Mr. McEWEN. Mr. Speaker, let me point out here that by request of the chairman of the committee I would like to have inserted into the RECORD at this point a letter in which it says, "I would, therefore, request that Mr. Stoffberg's cooperation be taken into consideration by you in the determination of his sentence," which is the purpose of the resolution. That is the purpose for which we have come, and that is the statement which causes the concern.

The letter in its entirety is as follows:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, January 10, 1992.

Hon. JACK B. WEINSTEIN,
U.S. District Court Judge, U.S. District Court, Eastern District of New York, Brooklyn, NY.

DEAR JUDGE WEINSTEIN: Mr. Dirk Francois Stoffberg has to date provided the House of Representatives Committee on Foreign Affairs with substantial assistance in an ongoing investigation. It is expected that this substantial assistance will continue into the future.

In addition, Mr. Stoffberg has offered to have his testimony preserved by deposition. He has also agreed to testify at any open or closed Congressional hearing if and when requested to do so. Our investigation pertains to the question whether the 52 Americans taken captive in Iran were held past the election of 1980 in violation of any U.S. laws. This issue is commonly referred to as the "October Surprise."

Although Mr. Stoffberg's cooperation may not lead to any criminal action, the information which he has voluntarily provided to us has already been helpful and, to some extent, has been corroborated by other evidence. I would, therefore, request that Mr. Stoffberg's cooperation be taken into consideration by you in the determination of his sentence.

I would be pleased to discuss the matter of Mr. Stoffberg's cooperation with you or your law clerk at any time before Mr. Stoffberg's sentencing.

Sincerely yours,

R. SPENCER OLIVER,
Chief Counsel.

Mr. SOLOMON. Mr. Speaker, reclaiming my time, let me read the judge's answer to that letter. It says, quote, "I treat it as the equivalent of a request for a downward departure. The guidelines do not provide for request by Congress or by the court."

My problem with this concerns the fact that we have to operate under the rules of the House. After all, that is what we swear we will do.

Last year I was asked by our Republican leader to research and report on a very similar instance in which a House committee chairman requested information in what he claimed was a committee investigation, even though it had not been formally authorized by the committee involved. In effect it was a unilateral inquiry by the chairman of one of our committees. The conclusion of that research into House rules and precedents was that a committee's investigation must be authorized by a committee.

Mr. Speaker, that was not done in this instance; the chairman is here, and he will say so.

Committee investigative authority is derived from House rule XI, clause 1(b), which reads as follows:

Each committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under rule X * * *.

Mr. Speaker, my colleagues know what rule X is, and clause 2(m) of rule XI empowers committees and subcommittees to authorize subpoenas in the conduct of investigations by a majority vote, a majority being present at the time. The rule goes on to authorize committees, but not subcommittees, to delegate subpoena authority to the chairman, and in clause 2(k) of rule XI we have a whole set of investigative hearing procedures which were established back in 1955 as the code of fair procedures which we have followed consistently for almost 40 years.

As Committee on Rules chairman at the time, Howard Smith, explained, the purpose of that provision was to abolish the custom of one-man subcommittees. We today are trying to do away with those one-man subcommittees out of fairness.

For that reason, Mr. Speaker, nowhere do House rules permit a committee to delegate to a chairman the authority to initiate and conduct an investigation. It is not allowed under the rules of this House. Under the rules it is the committee that must determine whether an investigation is necessary or is appropriate in the exercise of that responsibility.

So, Mr. Speaker, it does not matter in the present case whether the chairman of the Committee on Foreign Affairs or one of its subcommittee chairmen claimed to have approved the chief counsel's letter. Neither person is competent under House rules to have the authority to authorize the investigation which the letter purports is now going on. Nor, for that matter, can the full committee, or any subcommittee chairman, act on behalf of the committee, or the House, in intervening in a judicial proceeding.

House rules are quite explicit: The House must approve, for instance, the enforcement of subpoenas or contempt citations in the courts. And with respect to the granting of immunity to a witness before a House committee or subcommittee in exchange for testimony, which is similar to what is happening in this instance, a two-thirds committee vote is required to request that kind of a court order.

Mr. Speaker, that gentleman from Indiana [Mr. HAMILTON], my good friend who I served with for years on the Committee on Foreign Affairs, in a letter to the gentleman from Illinois [Mr. HYDE] attempts to justify this court intervention by the committee chief counsel on the grounds that such letters are routinely provided by congressional committee counsels and others.

□ 1600

Mr. Speaker, I think it is one thing for Members to write as individuals vouching for the character of a person involved in a sentencing procedure. I have done that myself and I will continue to do that. But it is quite another matter for a chairman or coun-

sel to write on behalf of a committee investigation which has never been authorized by the committee. This one never has been authorized by the committee. That is a very important difference, and it does raise some very serious questions about the rules of this House.

In conclusion, Mr. Speaker, the question of privilege raised by the gentleman from Ohio [Mr. McEWEN] goes to the very heart of this institution's rights, its dignity, and its integrity. The perception that this House is somehow springing violent criminals from jail in exchange for testimony of dubious value will not sit well with the American people and do great harm to this body's reputation. God knows, we have done enough harm to it in recent months.

This resolution simply calls on the Speaker's bipartisan legal advisory group to look into the matter and get back to us with its findings and recommendations so that we might avoid any repetition of such unauthorized, and I will repeat myself, misrepresentative court interventions in the future.

Now, I would say to the gentleman from Florida [Mr. FASCELL], that explains our position.

Mr. FASCELL. Mr. Speaker, I hear the gentleman's position.

The SPEAKER pro tempore (Mr. MURTHA). Does the gentleman from Indiana [Mr. HAMILTON] wish to seek time?

Mr. HAMILTON. Mr. Speaker, may I inquire how much time the gentleman has remaining?

The SPEAKER pro tempore. Thirty-six and one-half minutes.

Mr. HAMILTON. Mr. Speaker, my understanding was that the debate here was for 40 minutes and that they were to have 30 minutes and we were to have 10 minutes. Do I misunderstand?

The SPEAKER pro tempore. Under the rule the gentleman was recognized for 1 hour, but he may want to yield back some time.

Mr. HAMILTON. Mr. Speaker, may I inquire of the gentleman, was there not an understanding?

Mr. McEWEN. Mr. Speaker, I will be pleased to do whatever is most accommodating to the gentleman. How much time does he desire?

Mr. HAMILTON. I appreciate the gentleman's willingness to accommodate. It was my understanding that he was going to take 30 minutes, and since he controls the time, he was going to yield 10 minutes. That is acceptable to us. I think I can say what I want to say in 10 minutes.

Mr. McEWEN. Then the gentleman has no other speakers, and I should go ahead and consume the rest of my time?

Mr. HAMILTON. We have no others.

Mr. McEWEN. I will do my utmost to hold those within 30 minutes.

Mr. HAMILTON. If the gentleman would yield, I would prefer that my time be toward the end. I realize the gentleman has the right to close.

Mr. McEWEN. I will go ahead and consume my time, if I may.

Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I appreciate the gentleman yielding. I think that by now the gentleman on the other side must understand that this incident is very troubling to a number of us. I applaud the gentleman's resolution. I support it. I believe that if this resolution is struck down it sets a very, very dangerous precedent for all of us in this body in the future.

I will go further than other speakers and say that throughout my career in the U.S. Congress, as a former prosecutor before I came here, I have tried to keep my hands off the judicial process. I have tried not to interfere in the sentencing procedures after a person was convicted of a crime, because I did not believe that the legislative branch should intermingle with the judicial branch, and I did not believe that the administration of justice was properly served if Members of Congress interceded on behalf of people charged with having broken the law. I think that is probably a pretty good rule.

I think Members of Congress should not be contacting a judge at sentencing time. Not only does it tend to interfere with the administration of justice as public officials impose their own viewpoints on otherwise impartial judges, but it protects the Member of Congress. It protects the public official.

If one does not call up a judge or if one does not send a letter in support of a convict, one cannot find out that he has done something improper. One cannot read about it in the newspaper. One cannot be charged with unethical conduct, if in fact the person that is free commits some horrible offense.

Mr. FASCELL. Mr. Speaker, will the gentleman yield one second?

Mr. LIVINGSTON. I would be happy to yield to the gentleman.

Mr. FASCELL. Is it not true that the letter is spread on the RECORD?

Mr. LIVINGSTON. The letter is on the RECORD.

Mr. FASCELL. Is it not true that the judge is the person who makes the decision?

Mr. LIVINGSTON. It is true, sir. The gentleman is correct. In fact, the sentencing guidelines provide that law enforcement officials or family can write the judge a letter at any time. The guidelines, though, do not say that a Member of Congress or a member of the staff of the Congress can write letters. In fact, if you read the entire guidelines, they imply that we should not be writing.

I am concerned that once we start, once any Member of Congress, once any staff member of any committee starts writing letters to judges saying, "Let this guy out early," and "Let that guy out early," and the judges start saying, "Well, if the Congress controls my salary, maybe I had better pay attention to them," then I think we are in big trouble, and the judicial process, the criminal process of this country is in danger when officials can tamper with the judicial system, and in this case that is exactly what happened. I know that he never intended this to happen. But his is a situation in which a staffer, without benefit of——

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. LIVINGSTON. Mr. Speaker, I will not yield to the gentleman.

Mr. FASCELL. Mr. Speaker, I must ask that the words be taken down. I have let this thing go far enough on these wild allegations. Let us get into a debate on the subject matter.

The SPEAKER pro tempore. Is the gentleman asking that the words be taken down?

Mr. FASCELL. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the words.

Does the gentleman wish to withdraw the words?

Mr. LIVINGSTON. Mr. Speaker, if I cannot debate this issue on the floor, perhaps I should withdraw it, because I do not want to spend the Members' time on this issue. I do not know what it is I am alleged to have said.

The SPEAKER pro tempore. Does the gentleman ask unanimous consent to withdraw his words?

Mr. LIVINGSTON. Which words, Mr. Speaker?

The SPEAKER pro tempore. The gentleman will suspend until the clerk reports the words.

The Clerk will report the words.

Mr. FASCELL. Mr. Speaker, I can refresh his memory. His words were: tampering with the judicial system.

Mr. LIVINGSTON. Mr. Speaker, I insist that the words be left on the record because that is exactly what happened in this instance.

□ 1610

The SPEAKER pro tempore (Mr. MURTHA). The Members will suspend. The Clerk will report the words.

The Clerk read as follows:

The criminal justice of this country is in danger when elected officials can tamper with the judicial system. And in this case, that is exactly what happened.

The SPEAKER pro tempore. The Chair will rule that since the gentleman from Louisiana is generically speaking and not specifically alleging improper conduct by any individual Member, the words are in order, in the context of this resolution.

Mr. LIVINGSTON. Mr. Speaker, since this is coming out of my time, I

H 310

sk unanimous consent to get a few ore minutes for replacement of the me.

The SPEAKER pro tempore. The me is controlled by the gentleman om Ohio [Mr. McEwen].

Mr. LIVINGSTON. Mr. Speaker, in rder that the gentleman might be atisfied, I would amend my words elected officials," to "officials." I will ithdraw the word "elected."

The SPEAKER pro tempore. Without objection, the RECORD will be corected.

Mr. FASCELL. Mr. Speaker, reserving the right to object, that is not hat I am objecting to. As a matter of rinciple, I do not want anybody interering in the courts either. But to say his case represents a tampering with he judicial system, I find highly offensive and highly irregular. When ou do something on the record that is ermissible to be done, you are not ampering. You may disagree with it, it it is not tampering.

Mr. LIVINGSTON. Mr. Speaker, I as about to explain why I believe hat it is. I would like to get into the acts on this case.

The SPEAKER pro tempore. Is here objection to the request of the entleman from Louisiana [Mr. LIVNGSTON]?

There was no objection.

The SPEAKER pro tempore. Without objection, the word "elected" will e removed from the RECORD.

PARLIAMENTARY INQUIRY

Mr. DERRICK. Mr. Speaker, I have parliamentary inquiry.

The SPEAKER pro tempore. The entleman will state it.

Mr. DERRICK. Mr. Speaker, the entleman from Louisiana [Mr. LIVNGSTON] said later, after the motion as made, that he specifically meant n this case. I would like to take his ords down on that and see if he was ot specifically referring to the gentleman.

Mr. LIVINGSTON. Mr. Speaker, if he gentleman from South Carolina [Mr. DERRICK] is asking for a parliamentary inquiry, I do not yield for hose purposes right now. I would like o proceed.

The SPEAKER pro tempore. Debate has intervened. In the regular order, the gentleman from Louisiana [Mr. LIVINGSTON] may proceed.

Mr. LIVINGSTON. Mr. Speaker, what we have here is a situation where an unelected staffer, either with authority of Members of Congress or not, writes a U.S. district judge and tells him that a gun runner has cooperated in the past and is likely to cooperate in the future, and that that set of facts or sequence of circumstances should be considered in the final sentencing.

Mr. Speaker, as I understand it, Mr. Stoffberg, the gun runner, was already under the Federal sentencing guidelines subject to get between 8 and 14 months in prison for his conviction.

The unelected staffer did not have a vote in the subcommittee, he did not have a vote from the full committee, he did not have a vote from the House, he did not have a vote from the Senate, he did not have a vote from the President of the United States.

All he did was, with the mantle of authority vested in him by some unnamed and undisclosed Member of Congress, write a Federal judge and say consider what this convicted felon has done and let him out early if you can.

The judge then took this letter of authority from a staffer of the U.S. Congress and said, "Well, if the Congress is interested in this man, I will not sentence him according to the guidelines between 8 and 14 months. I will now, since he has already served just over 8 months, sentence him under a lower guideline," which provided for mitigation of sentences, and he let him out right away.

Now, the man was released. Here was a fellow convicted of violating the U.S. law, possession of guns, and he was released.

I do not worry about this guy. I am sure he is back in South Africa now, because he was a South African. He is probably long gone.

But what does this say for the future? If this case is allowed to stand, who is going to let out the next murderer, who is going to let out the next rapist, because they "might" give valuable information to the United States Congress?

Why doesn't the U.S. Congress stand accountable for the lawlessness and for the problems that face this country, when we violate our own laws?

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, first I am sure that the gentleman must have heard the distinguished chairman of the Committee on Foreign Affairs say here on the record that he, in fact, authorized the staff member to do what he did.

Second, I wonder if the gentleman is aware of the fact that the assistant U.S. attorney at the sentencing procedure told the judge that he had no objection to the defendant being given time served, so that that letter had no relevance as far as the U.S. attorney was concerned?

Mr. LIVINGSTON. Mr. Speaker, reclaiming my time, I will tell the gentleman from New York [Mr. WEISS] the assistant U.S. attorney did object, contrary to the assertions in the letter of the gentleman from Indiana [Mr. HAMILTON].

Mr. Speaker, we have a letter which I would like to introduce in the RECORD at this time from Mr. Lee Rawls, another assistant U.S. attorney general, which says in effect, "Any characterization of the Department's position as having assisted Mr. Oliver in this matter, or raising no objection, is disingenuous."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana [Mr. LIVINGSTON]?

There was no objection.

The text of the letter referred to is as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, February 4, 1992.

Hon. HENRY J. HYDE,
Member of Congress, Washington, DC.

DEAR CONGRESSMAN HYDE: This letter responds to your request that we inform you of the discussions between the Department of Justice and a representative of the House Committee on Foreign Affairs, R. Spencer Oliver, concerning Mr. Oliver's January 10, 1992, letter to Judge Jack R. Weinstein of the United States District Court for the Eastern District of New York in the matter of the sentencing of 91 CR 524 (JRW) in *United States* v. *Dirk Stoffberg*.

I have been informed that there were conversations between an Assistant United States Attorney (AUSA) in the Office of the United States Attorney for the Eastern District of New York and Mr. Oliver on the 9th and 10th of January 1992, concerning Mr. Oliver's intention to send a letter to Judge Weinstein. The AUSA contacted Mr. Oliver after the defense attorney informed judge Weinstein on several occasions by letter and in court that the defense counsel anticipated that Counsel for the House Foreign Affairs Committee would provide the Judge with a letter concerning Mr. Stoffberg's cooperation. The AUSA was concerned that the letter from the Committee Counsel not be misinterpreted as a letter failing under Sec. 5K1.1 of the Sentencing Guidelines which provides that upon motion by the prosecutor ". . . stating that the defendant has provided substantial assistance in investigation or prosecution of another person who has committed an offense . . .," the court can downwardly depart from the otherwise applicable guideline range and thus reduce a defendant's sentence.

Initially, the AUSA was concerned that the Committee was interjecting itself into an unconnected federal criminal case without any investigation of Mr. Stoffberg's background or the crime for which he had been convicted in the Eastern District of New York. In addition, the AUSA was concerned that Mr. Stoffberg had merely been interviewed on one occasion and that only a cursory effort had been made to corroborate the information which had apparently been provided Mr. Oliver. Finally, the AUSA was concerned that if the letter tracked the language of the Sec. 5K1.1 without the jurisdictional requirement for such a letter having been met, it would place the United States Attorney's Office in the position of having to object to it.

In the initial contact with Mr. Oliver, Mr. Oliver suggested that the United States Attorney's Office had attempted to frustrate the Committee's efforts by having Mr. Stoffberg's place of incarceration changed to one inconvenient to him. Mr. Oliver was assured that the U.S. Attorney's Office had played no role in that matter. The AUSA then turned to the prospective letter from Mr. Oliver to the Judge and cautioned that it was inappropriate for a letter from Congress to track the language of Sec. 5K1.1.

On January 10, 1992, Mr. Oliver was again contacted by the AUSA and after discussing the matter, Mr. Oliver agreed to provide a draft of his letter to Judge Weinstein, which was then faxed to the United States Attor-

ney's office. Mr. Oliver then made one minor modification in the letter requested by the AUSA, indicating that the information provided had been corroborated to some extent. Otherwise, however, the letter as sent to the Court remained unchanged and included language tracking Sec. 5K1.1—which the AUSA objected to, but which Mr. Oliver indicated was in the Committee's view not only appropriate but had been approved by high-ranking members of Congress.

At the January 14th sentencing hearing, the United States Attorney's Office argued that as a matter of law Mr. Oliver's letter did not qualify as a motion pursuant to Sec. 5K1.1 and should be considered by the Court only in fixing an appropriate sentence within the guideline range of 8-14 months. The Court, however, ruled that while only the prosecution can move under Sec. 5K1.1, Mr. Oliver's letter was in effect a Congressional request for clemency under Guideline Sec. 5K2.0. Judge Weinstein, over the government's objection, made a downward departure in the guideline range to 2-8 months and ordered Stoffberg's release since he had already served 8½ months.

This matter was appropriately handled by the Office of the United States Attorney for Eastern District of New York. Any characterization of the Department's position as having assisted Mr. Oliver in this matter, or raising no objection, is disingenuous. While any citizen has the right to communicate with a Federal Judge, the AUSA correctly asserted that only the Executive Branch law enforcement community is covered by the provisions of Sec. 5K1.1 of the Sentencing Guidelines.

I trust that this letter is responsive to your request.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

Mr. WEISS. Mr. Speaker, they did not object to the time served provision.

Mr. McEWEN. Mr. Speaker, may I ask how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Ohio [Mr. McEWEN] has consumed 20 minutes.

Mr. HAMILTON. Mr. Speaker, how much time does the gentleman have remaining?

The SPEAKER pro tempore. The gentleman from Ohio [Mr. McEWEN] has 10 minutes remaining, according to the prior agreement that was made.

Mr. HAMILTON. Mr. Speaker, may I say to the gentleman from Ohio [Mr. McEWEN] our understanding is the gentleman is going to take 30 minutes, and we will take 10 minutes. Is that the understanding of the gentleman?

Mr. McEWEN. Mr. Speaker, I intend to reserve at least 5 minutes for my own time to close debate.

Mr. HAMILTON. Mr. Speaker, may I ask the gentleman if I may take my time immediately preceding his 5 minutes?

Mr. McEWEN. Mr. Speaker, that will be fine. I will rely upon the Speaker to inform me when I have 5 minutes remaining.

PARLIAMENTARY INQUIRY

Mr. GEJDENSON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentleman from Ohio [Mr. McEWEN] yield for a parliamentary inquiry?

Mr. McEWEN. Mr. Speaker, I think it is up to the Chair.

Mr. GEJDENSON. Mr. Speaker, I always hear statements on the other side about fairness and evenhandedness. If I may clarify my understanding of the time the gentleman had for his motion, how did the gentleman divide the time?

Mr. McEWEN. Mr. Speaker, I divided the time, which is completely within my authority as a privileged motion, to the maximum requested by the Democrats. I would be pleased to establish that as precedent for the rest of this Congress.

Mr. GEJDENSON. Mr. Speaker, would the gentleman like to give us more time?

Mr. McEWEN. Mr. Speaker, if the gentleman desires more, I will be willing to amend the request because we have nothing to hide and nothing to fear from free and open debate.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, I thank the gentleman from Ohio [Mr. McEWEN] for yielding and commend him on his courage in bringing this to the floor. This is serious business.

Later during the course of business in this House we will debate and vote upon the question whether to authorize an investigation into the so-called October Surprise and whether to authorize the expenditure of taxpayer funds for that purpose.

Mr. Speaker, that has not happened yet. Yet we learn that majority staff on the Committee on Foreign Affairs has already commenced this investigation, and we are not certain based on representations from the majority side whether this has been done with the authorization of majority Members of Congress or not. But we know for a fact that no investigation has yet been authorized, that debate has not taken place in committee or on the floor of this House, and, as a consequence, this is a renegade investigation.

The majority staff has pretended to the status of the Congress itself. The chief counsel of the Committee on Foreign Affairs has fooled the U.S. district court into thinking he, a Democratic committee staffer, represented the committee itself. Let me quote from his letter. It is on letterhead that states at the top "102d Congress, Congress of the United States, Committee on Foreign Affairs, House of Representatives, Washington, DC."

Dear Judge Weinstein: Mr. Dirk Francois Stoffberg"—the convicted gun runner—"has to date provided the House of Representatives Committee on Foreign Affairs"—and that is, of course, not the case, they provided it to the staffer—"with substantial assistance in an ongoing investigation."

"Our investigation pertains to the question whether the 52 Americans taken captive in Iran were held past the election of 1980 in violation of any U.S. laws. This issue is commor ferred to as the 'October Surpris

This is, of course, the investi that we will soon debate, whet authorize it.

"I would, therefore, request tha Stoffberg's cooperation be taker consideration by you in the deter tion of his sentence.

"I would be pleased to discus matter of Mr. Stoffberg's cooper with you," which, of course, occu

Now, there is some question a whether this was a request for duction in sentence. The judge, in first page of his order, says, and quoting Judge Weinstein now, " case poses the question, can a req for clemency by Congress suppor downward departure, in other word reduction, in the sentence."

□ 1620

The judge in his opinion expres treated this intervention by a congr sional staffer as an official request clemency by the Congress.

The Legal Times says that this is solutely unprecedented, their wo "unprecedented." So who is this co victed criminal that has been sprun Who is this felon, this internation gun runner?

He conspired to bring over a thou sand weapons into Chile in violation c United States laws and, according t articles in the press, he may be part o a crack hit squad involved in interna tional assassination.

He fought extradition. Our agents United States Government agents trapped him in Germany. He fought the extradition back to New York at great taxpayer expense. We brought this man to court. His lawyer advised him to plead guilty because the evidence against him was so overwhelming. And as a result of this intervention, he served no further time in jail.

By the way, he refused to cooperate with the Department of Justice and U.S. prosecutors to help them obtain convictions against the other conspirators.

Partisan ends ought not justify this kind of behavior. The partisan end here, of course, is character assassination against President Reagan.

In order to achieve that objective, majority staff has pretended to the status of investigators of the Department of Justice, the article 3 branch itself and the Congress itself. Partisan politics should not operate for the purpose of turning violent international criminals loose.

The majority has lost control of its staff. This institution is out of control. It has been kiting checks through the bank, dealing cocaine through the post office, and now springing dangerous international criminals. This has got to stop.

Mr. McEWEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. HYDE].

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I think Mr. liver is off the hook. He was acting the agent of the gentleman from orida [Mr. FASCELL]. What he did as authorized by the chairman of the ommittee on Foreign Affairs. So he certainly not culpable of anything.

But I would ask the gentleman from orida [Mr. FASCELL] whether he beves in comity, whether he believes the rules of the House, whether he inks it is appropriate or proper for ie person unilaterally to authorize intervention in a criminal case for e purpose of reducing the sentence a convicted felon because he is ing to cooperate or has cooperated th whom, not the Congress, not the mmittee, but with the gentleman om Florida [Mr. FASCELL], through s agent.

Now, in the Iran-Contra hearings, e gentleman will remember, when granted immunity we voted on it. iat was a question, should we do is, should we not? When one interies in an ongoing criminal case, does e not think propriety, comity and sence of hypocrisy would dictate at one contact the gentleman from chigan [Mr. BROOMFIELD]? I do not re about myself, but to unilaterally yourself determine that you are the ngress and you have the authority send your counsel in and intervene an ongoing criminal case without y notice to us makes a mockery of partisanship.

It is an abuse of the rules, and it is e gentleman who says it was done der his authority. Why did you not n the letter? Can you not elevate an ervention into a criminal sentence the dignity of the Member's signare? Did the staff have the authority do that?

Evidently you have given it to them, haps nunc pro tunc, perhaps not. I not know.

The letter does not say. But all I ow is Mr. Oliver is a powerful man. I nder what kind of immunity he unted to this person. We will learn out that later.

Mr. FASCELL. Mr. Speaker, will the ntleman yield?

Mr. HYDE. I yield to the gentleman m Florida, because the gentleman s some statements to make, I am re.

Mr. FASCELL. Mr. Speaker, I am d the gentleman finally picked on neone his size.

Mr. HYDE. The gentleman is vertily challenged, and I am gravitationy challenged.

Mr. FASCELL. Mr. Speaker, if the ntleman will continue to yield, is the mmittee on Foreign Affairs duly stituted? We have majority staff. I ve never been through this.

Mr. HYDE. And there are Republis on that committee, too. I know e gentleman forgets that.

Mr. FASCELL. I understand that. You want me to run your staff now? Are you going to give me that authority?

Mr. HYDE. I just want to know what is going on.

Mr. FASCELL. All you have to do is ask.

Mr. HYDE. Consider this an ongoing inquiry for the rest of this term, as to what is going on.

Mr. FASCELL. It is about time we have had that kind of bipartisan offer.

I just wanted to point out that as a preliminary matter their testimony is there. The task force, when it is constituted, will decide whether or not it is worth a deposition.

Mr. HYDE. We would have liked the opportunity to decide whether or not it was worth a reduction in his sentence.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we really had some extraordinary language here this afternoon. What I would like to do is to begin with as straight a statement of the facts as I understand them and as I am able to make without a lot of pejorative language.

Mr. Speaker, during the past week, a letter written by Foreign Affairs Committee Chief Counsel Spencer Oliver to U.S. District Court Judge Jack B. Weinstein has generated controversy and several expressions of concern by Members of the minority.

Congressman HYDE conveyed to me his own concerns about Mr. Oliver's letter in a letter dated January 27. I responded on January 31. With his consent, I would ask that our correspondence be entered into the RECORD at this point.

I would like to try to explain how the letter written by Mr. Oliver came to be, and to address some of the concerns raised by Mr. HYDE and several of our colleagues.

Members of the Foreign Affairs Committee have been operating under uncertain and ambiguous circumstances since the Speaker announced a formal investigation of the October Surprise allegations last August, and it was agreed that a special committee task force to investigate these allegations would be formed. During the past 6 months, no one really has had the power to act for the task force. Yet information concerning these allegations has continued to emerge and issues clearly within the jurisdiction of the Committee on Foreign Affairs have arisen. During much of this period, we have also been out of session.

In the months since the Speaker's announcement, many private citizens have approached congressional offices with information they claimed supported or refuted key October Surprise allegations. A large amount of this unsolicited material has come to Members and staff of the Committee on Foreign Affairs, which has been publicly identified as the home of the proposed House task force.

Committee members and staffers have not conducted depositions or taken any actions that should only be taken by a fully empowered task force. People approaching the committee have usually been told that the information they provided would be turned over to the House task force, when and if it is empowered.

Spencer Oliver is counsel to the Committee on Foreign Affairs and has served as a contact person for information relating to these allegations. In this capacity, Mr. Oliver has been approached by people outside the Government with information concerning these allegations. Mr. Oliver has spoken to me periodically about information he judged important or time-sensitive.

Late last November, Mr. Oliver was contacted by the attorney representing Mr. Dirk Stoffberg, a South African in detention before trial for illegal arms sales. The attorney told Mr. Oliver that Mr. Stoffberg had information relating to the October Surprise allegations and wanted to pass this information on to Congress.

In mid-December, Mr. Stoffberg's attorney informed Mr. Oliver that Mr. Stoffberg had pled guilty and might be released soon. It was possible, therefore, that Mr. Stoffberg might be out of jail, and perhaps out of the country—and therefore less accessible to congressional investigators—before Congress reconvened and a House task force could be formally empowered.

In view of this time constraint Chairman FASCELL and I agreed that Mr. Oliver should talk with Mr. Stoffberg before his release. On the basis of such a meeting, the House task force, should it be empowered, could decide whether a formal deposition from Mr. Stoffberg would be necessary.

Mr. Oliver met with Mr. Stoffberg on two occasions. The first meeting took place on December 26, 1991. Mr. Stoffberg told Mr. Oliver that he met William Casey in London in the summer of 1980, and that Mr. Casey had discussed the hostages and had sought Mr. Stoffberg's assistance in arranging an arms deal with Iran. About 10 days later, Mr. Stoffberg's attorney sent to Mr. Oliver documents which, I am told, appear to corroborate some of Mr. Stoffberg's statements about his whereabouts in 1980.

On January 10, 1992, Mr. Oliver briefed me on the information Mr. Stoffberg had provided. Mr. Oliver also told me that Mr. Stoffberg's attorney had requested that a letter explaining Mr. Stoffberg's cooperation with the committee be sent to U.S. District Court Judge Jack Weinstein, who would be sentencing Mr. Stoffberg. Mr. Oliver discussed the appropriateness of these letters with experienced outside counsel, including Larry Barcella, the attorney I intend to appoint chief counsel for the task force.

if it is empowered. Chairman FASCELL agreed that a letter describing Mr. Stoffberg's cooperation could be sent, and I concurred.

Mr. Oliver sent a letter to Judge Weinstein on January 10. When he sentenced Mr. Stoffberg several days later, Judge Weinstein cited Mr. Stoffberg's cooperation with the Foreign Affairs Committee as a factor contributing to his decision to impose a sentence of time served, which was a few months shorter than the maximum permitted for Mr. Stoffberg's offense.

Mr. Oliver met a second time with Mr. Stoffberg on January 20. He was joined in that meeting by Congressman TED WEISS, a member of the Foreign Affairs Committee who has been asked to serve on the proposed task force. Mr. Oliver had been told by Mr. Stoffberg's attorney that Mr. Stoffberg was likely to be released from custody January 21, and would probably leave the United States shortly thereafter. Congressman WEISS and Mr. Oliver tape recorded this meeting. A transcript of this second and last meeting with Mr. Stoffberg is now being prepared.

So far as I am aware, these are the facts relating to Mr. Oliver's letter. I would now briefly like to address some of the concerns and objections raised by Mr. HYDE and other members of the minority.

First, House rules have not been violated in this matter. Whether or not a task force is formally empowered today, under rules X and XI of the House of Representatives, the Foreign Affairs Committee has jurisdiction over numerous aspects of the October Surprise allegations. The meetings with Mr. Stoffberg and the letter to the sentencing judge were consistent with the Rules of the House.

Second, so far as I am aware, no Justice Department official has to date expressed to me, or to the committee, any objection to Mr. Oliver's letter. The U.S. attorney's office in New York, which prosecuted Mr. Stoffberg, did not object to the letter. In fact, I have been informed, members of the U.S. attorney's office in New York made several editorial suggestions after seeing a draft of the letter and said during Mr. Stoffberg's sentencing hearing, that they did not view Mr. Oliver's letter as a request for leniency. I am aware of no objections to the letter by Justice Department officials here in Washington.

Furthermore, I am told by those who have read the sentencing proceedings that the U.S. Attorney's office neither asked Judge Weinstein to give Mr. Stoffberg a longer sentence nor objected to he length of the sentence the judge handed down. The U.S. attorney's office did not appeal the sentence.

Third, it is important to recognize both the time pressures associated with the Stoffberg matter and the institutional limbo in which the Foreign Affairs Committee has been operating during the past 6 months. There was no guarantee that the information Mr. Stoffberg claimed to possess would be available by the time the House task force could be empowered, because Mr. Stoffberg's departure from the country appeared imminent. It was Chairman FASCELL's and my judgment that an effort should be made to collect whatever information Mr. Stoffberg had, while he was still accessible. Nobody had the power of subpoena or the authority to depose Mr. Stoffberg. I myself have not seen any of Mr. Stoffberg's statements or documents. These statements and documents can only be evaluated by the task force, empowered to issue subpoenas and place witnesses under oath, and with the participation of both the majority and the minority.

Fourth, letters of the kind written by Mr. Oliver are, I am told, routinely provided in such cases. Government attorneys have frequently written to judges prior to sentencing. I am advised by the office of the House general counsel that congressional committee counsels have also written letters of this kind previously.

Fifth, I would like to assure members of the minority that neither of Mr. Oliver's two meetings with Mr. Stoffberg can be construed as depositions. They were informal discussions. The resolution before us today would empower the House task force to take depositions. Minority members or staffers of the task force must clearly have the opportunity to participate in any depositions sought by the majority—and vice versa. In the absence of a resolution adopted by the House, Foreign Affairs Committee staff have no power to depose anyone.

Sixth, there has been no effort to conceal Mr. Stoffberg's statements from members of the minority. Mr. Oliver will turn over to all members of the task force all relevant documents on this matter, including the transcript of the second meeting with Mr. Stoffberg, the documents provided by Mr. Stoffberg's attorney, and the transcript of Mr. Stoffberg's sentencing hearing. I myself have not seen any of these materials. I look forward to reviewing them.

Seventh, my first knowledge of the minority's concerns on this matter came not from direct contact, but from the press. No member of the minority personally contacted me, Chairman FASCELL, or Spencer Oliver to determine whether Mr. Oliver's letter was authorized. After I received Mr. HYDE's letter, I discussed this matter with him.

I hope these comments will help clear up any misunderstanding about this matter.

Mr. Speaker, we may soon be given a serious task. We need to put the discussions and debates of recent months behind us and begin to evaluate the truth of these allegations. It is in nobody's interest—not the former hostages, not those accused of misdeeds, and not those of us who have asked to investigate this matte see a formal inquiry of these a tions delayed any further. It ren my intention to see this task ac plished in as competent, coopers and expeditious a manner as pos I am prepared to work with Mr. I and other members of the task f in that spirit and I have told then

□ 1630

Mr. McEWEN. Mr. Speaker, will gentleman yield?

Mr. HAMILTON. I am happy yield to the gentleman from Ohio.

Mr. McEWEN. Mr. Speaker, I wo say on behalf of the minority t knew absolutely nothing about th statements until they read them the paper. I think it is unfair for t gentleman to imply that they : available to minority when the minc ty has never been told they even exi ed until they were leaked to the pre

Mr. HAMILTON. I myself have n seen any of these documents, and li the gentleman, I look forward to r viewing them. They will be availab to the minority as soon as they a available to the majority. I have nc seen them myself. The transcripts think are in preparation now. I hav not reviewed this material. So far as know, no members of the task forc have reviewed it, and the gentlema will have access to it as soon as th chairman of the task force has acces to it, assuming that the task force is ir fact empowered.

Mr. McEWEN. Mr. Speaker, I yielc 30 seconds to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I was just out and talked to representatives of the Justice Department who are just outside the door, who tell me it is patently false to represent that the Attorney General and Justice Department were not willing to see this letter go forward. The Justice Department opposed the letter. They said that they worked with Mr. Oliver asking him not to write such a letter. And in addition, they have a letter to Mr. HYDE, which has already been put in the RECORD, that said that any suggestion otherwise is disingenuous.

Mr. McEWEN. Mr. Speaker, I yield myself the remaining amount of time, and wish to bring us back to the resolution before us.

All I am asking is for the bipartisan legal advisory group, which is made up of three Democrats and three Republicans, to review this type of activity so that in the future there could be some guidelines whereby people claiming to represent the Congress of the United States could meet those restrictions.

The statement of the judge was this, that were it not for a desire to reach comity between the independent branches of Government, suggested

the desirability of assisting Congress in its important work where there is no strong conflict of interest with the court's sentencing responsibilities, that were it not for the intervention of Congress, this defendant would have been sentenced to a longer term of imprisonment because he threatened violence during the course of his criminal activity.

Mr. Speaker, that is the cause before us, and I wish to indict no one. I wish to make sure that this sort of activity does not sweep over us again.

Repeatedly we have been told, and from now on until 9 o'clock tonight we will be told 10,000 times in this well that this investigation has never been authorized. We need a select task force to begin an October Surprise investigation because there never has been one. That is what they will say over the next 3 to 4 hours, and yet what we have heard for the last 40 minutes is that indeed there was one.

Mr. Speaker, I will insert in the RECORD at this point a statement by Mr. WILLIAM BROOMFIELD, who said:

* * * Let me say that to my knowledge the Foreign Affairs Committee has never commissioned a formal investigation of this matter. From time to time, however, the minority has become aware, usually from the press, that the majority Members and staff have been undertaking various investigatory activities.

The letter referred to follows:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, February 4, 1992.

Hon. BOB MCEWEN,
U.S. House of Representatives,
Washington, DC.

DEAR BOB: I have received your letter of January 31 to Chairman Dante Fascell of the Foreign Affairs Committee in which you request access to all Committee files pertaining to an investigation of the so-called "October Surprise" matter, and in particular the Committee's involvement with an individual named Dirk Stoffberg. This request was made pursuant to Rule XI.2(3)(2) of the House of Representatives, which entitles any member of the House to have access to all committee records and files.

First of all, let me say that to my knowledge the Foreign Affairs Committee has never commissioned a formal investigation of this matter. From time to time, however, the Minority has become aware, usually from the press, that Majority members and staff have been undertaking various investigatory activities.

I understand that the Committee is preparing to respond to your request by providing you access to certain files in possession of the Committee and its subcommittees. The Minority will participate fully in any arrangements made by the Majority for this purpose.

In addition, the Minority is prepared to provide you complete access, at your convenience, to any related records in our possession. Expecting that the October Surprise would continue to be of Congressional interest, the Minority staff has informally compiled some files on this matter. In conformance with Rule XI, I am prepared to offer you complete access to these files, which contain both publicly available information and material prepared by the staff, without any exception whatsoever.

Thank you for your interest in this matter. I agree that access to all the information available to Congress, including the complete files of the Foreign Affairs Committee, is extremely important to all the members of the House as they decide whether to authorize this politically sensitive investigation.

Sincerely,

WILLIAM S. BROOMFIELD,
Ranking Republican Member.

Mr. Speaker, I include that along with the letter on the Foreign Affairs Committee stationery in which they said there was an ongoing investigation.

One final point. In the statement by the defense attorney, the defense attorney said in the sentencing hearing that the reason that this gunrunner has not cooperated with the Justice Department was because "congressional investigators don't want this information out. It's their investigation. and that's it."

So, therefore, we have people who have not brought any knowledge to the Republicans under any circumstances conducting their own investigation, making their own representations, designed to have it leaked to no one, least of all Members of Congress on this side of the aisle or to the Justice Department.

□ 1640

Mr. Speaker, I am only asking this: Let the Democrats that control the bipartisan advisory group set some guidelines for this activity.

Mr. Speaker, I move the previous question on the resolution.

MOTION OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Speaker, I move to lay the resolution on the table.

The SPEAKER pro tempore. (Mr. MURTHA). This is a preferential motion.

The Clerk will report the motion.

The Clerk read as follows:

Mr. GEPHARDT moves to lay the resolution on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. GEPHARDT]

The question was taken; and on a division (demanded by Mr. WALKER) there were—yeas 13, nays 8.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 249, nays 160, not voting 25, as follows:

[Roll No. 8]

YEAS—249

Abercrombie	Anthony	Bellenson
Ackerman	Applegate	Bennett
Alexander	Aspin	Berman
Anderson	Atkins	Bevill
Andrews (ME)	AuCoin	Bilbray
Andrews (TX)	Bacchus	Blackwell
Annunzio	Barnard	Bonior
Borski	Hubbard	Penny
Boucher	Huckaby	Perkins
Boxer	Hughes	Peterson (FL)
Brewster	Jacobs	Peterson (MN)
Brooks	Jefferson	Pickett
Browder	Jenkins	Pickle
Brown	Johnson (SD)	Poshard
Bruce	Johnston	Price
Bryant	Jones (GA)	Rahall
Bustamante	Jones (NC)	Rangel
Byron	Jontz	Ray
Campbell (CO)	Kanjorski	Reed
Cardin	Kaptur	Richardson
Carper	Kennedy	Roe
Carr	Kennelly	Roemer
Chapman	Kildee	Rose
Clement	Kleczka	Rostenkowski
Collins (IL)	Kopetski	Rowland
Collins (MI)	Kostmayer	Roybal
Condit	LaFalce	Russo
Conyers	Lancaster	Sabo
Cooper	LaRocco	Sanders
Costello	Laughlin	Sangmeister
Cox (IL)	Lehman (CA)	Sarpalius
Coyne	Lehman (FL)	Savage
Cramer	Levin (MI)	Sawyer
Darden	Lewis (GA)	Scheuer
de la Garza	Lipinski	Schroeder
DeLauro	Lloyd	Schumer
Dellums	Long	Serrano
Derrick	Lowey (NY)	Sharp
Dicks	Luken	Sikorski
Dingell	Manton	Sisisky
Dixon	Martinez	Skaggs
Donnelly	Matsui	Skelton
Dooley	Mavroules	Slattery
Dorgan (ND)	Mazzoli	Slaughter
Downey	McCloskey	Smith (FL)
Durbin	McDermott	Smith (IA)
Dwyer	McHugh	Solarz
Early	McMillen (MD)	Spratt
Edwards (TX)	McNulty	Staggers
Engel	Mfume	Stallings
English	Miller (CA)	Stenholm
Erdreich	Mineta	Stokes
Espy	Mink	Studds
Evans	Moakley	Swett
Fascell	Mollohan	Swift
Fazio	Montgomery	Synar
Feighan	Moody	Tallon
Flake	Moran	Tanner
Foglietta	Murphy	Tauzin
Ford (MI)	Murtha	Taylor (MS)
Ford (TN)	Nagle	Thornton
Frank (MA)	Natcher	Torres
Frost	Neal (MA)	Torricelli
Gejdenson	Neal (NC)	Towns
Gephardt	Nowak	Traficant
Geren	Oakar	Traxler
Gibbons	Oberstar	Unsoeld
Glickman	Obey	Valentine
Gonzalez	Olin	Vento
Gordon	Olver	Visclosky
Guarini	Ortiz	Volkmer
Hall (OH)	Orton	Washington
Hall (TX)	Owens (NY)	Waters
Hamilton	Owens (UT)	Waxman
Harris	Pallone	Weiss
Hatcher	Panetta	Wheat
Hayes (IL)	Parker	Williams
Hefner	Pastor	Wilson
Hertel	Patterson	Wise
Hoagland	Payne (NJ)	Wolpe
Hochbrueckner	Payne (VA)	Wyden
Horn	Pease	Yates
Hoyer	Pelosi	Yatron

NAYS—160

Allard	Clinger	Franks (CT)
Allen	Coble	Gallegly
Archer	Coleman (MO)	Gallo
Armey	Combest	Gekas
Baker	Coughlin	Gilchrest
Ballenger	Cox (CA)	Gillmor
Barrett	Crane	Gilman
Barton	Cunningham	Gingrich
Bateman	Davis	Goodling
Bereuter	DeLay	Goss
Billirakis	Dickinson	Gradison
Bliley	Doolittle	Grandy
Boehlert	Dornan (CA)	Green
Boehner	Dreier	Gunderson
Broomfield	Duncan	Hammerschmidt
Bunning	Edwards (OK)	Hancock
Burton	Emerson	Hansen
Callahan	Ewing	Hastert
Camp	Fawell	Hefley
Campbell (CA)	Fields	Henry
Chandler	Fish	Herger

FILED
IN CLERK'S OFFICE
U. S. DISTRICT COURT E.D. N.Y.
★ JAN 15 1992 ★
TIME A.M.
P.M.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----------X
UNITED STATES OF AMERICA

MEMORANDUM AND ORDER

- against -

CR 91-524

DIRK STOFFBERG,

Defendant.
----------X

A P P E A R A N C E S :

For the Plaintiff:

Seth Marvin
Assistant United States Attorney
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

For the Defendant:

Thomas F.X. Dunn
7 Dey Street
Suite 1400
New York, NY 10007

WEINSTEIN, J.:

Defendant pled guilty to violation of munitions export laws. His sentencing guideline range is 8-14 months. Because he threatened violence during the course of his criminal activity, defendant would have been sentenced to 13 months, near the top of the guideline range, were it not for the intervention of Congress. He has already been in custody for 8½ months. The case poses the question: can a request for clemency by Congress support a downward departure in the guideline offense level? As indicated below, the answer is yes.

The Chief Counsel of the Committee on Foreign Affairs of the House of Representatives requests that the court consider

defendant's cooperation with the Committee. The letter reads:

One Hundred Second Congress
Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

January 10, 1992

Dear Judge Weinstein:

Mr. Dirk Francois Stoffberg has to date provided the House of Representatives Committee on Foreign Affairs with substantial assistance in an on-going investigation. It is expected that this assistance will continue into the future.

In addition, Mr. Stoffberg has offered to have his testimony preserved by deposition. He has also agreed to testify at any open or closed Congressional hearing if and when requested to do so. Our investigation pertains to the question whether the 52 Americans taken captive in Iran were held past the election of 1980 in violation of any U.S. laws. This issue is commonly referred to as the "October Surprise."

Although Mr. Stoffberg's cooperation may not lead to any criminal action, the information which he has voluntarily provided to us has already been helpful and, to some extent, has been corroborated by other evidence. I would, therefore, request that Mr. Stoffberg's cooperation be taken into consideration by you in the determination of his sentence.

I would be pleased to discuss the matter of Mr. Stoffberg's cooperation with you or your law clerk at any time before Mr. Stoffberg's sentencing.

Sincerely yours,

/s/

R. SPENCER OLIVER
Chief Counsel

It is the government's view that the court can impose a sentence of time served, within the guidelines, without considering whether a downward departure is permitted on request of a representative of Congress. Such an approach is generally

appropriate. It is not, however, desirable to avoid the downward departure issue in this case; the matter may arise again and again without an opportunity for Congress to test the courts' authority to depart downward as a reward for a cooperating witness. Cf. Nebraska Press Ass'n v. Stuart, 427 U.S. 539, 546-48 (1976) (consideration not barred where the issue is likely to arise again and yet escape review).

The proper relationship among the three branches of government, legislative, executive, and judicial, in the field of sentencing continues to be perplexing and important. See, e.g., Mistretta v. United States, 488 U.S. 361 (1989) (composition of United States Sentencing Commission does not violate the separation of powers). One aspect of that relationship is now presented.

There are a variety of sequences possible in applying departure rules. One is to determine what the sentence would be without a departure, U.S. Sentencing Comm'n Guidelines Manual, at 1 (Nov. 1991), then to consider whether a departure is desirable, then to decide the amount of the departure (in terms of time or offense level), and, finally, to apply the departure to arrive at the actual sentence. See id.; cf. United States v. Kim, 896 F.2d 678, 685 (2d Cir. 1990) (upward departure); United States v. Coe, 891 F.2d 405, 412-13 & n.9 (2d Cir. 1989) (same). This explicit, step-by-step method is desirable in the instant case since the court is being asked by Congress to signal to the present defendant and to future defendants a capacity to treat a

Congressional request as an application for an appropriate downward departure.

Section 5K1.1 of the guidelines does not permit a downward departure because, as the government properly argues, in the language of the section, the defendant has not "provided substantial assistance [to prosecutors] in the investigation or prosecution of another person who has committed an offense . . . ." Moreover, in the absence of a request from the United States Attorney, a downward departure under section 5K1.1 is generally not available. See, e.g., United States v. Agu, __ F.2d __, __, 1991 WL 237844 (2d Cir. 1991); United States v. Khan, 920 F.2d 1100, 1106 (2d Cir. 1990), cert. denied, 111 S. Ct. 1606 (1991).

By contrast, section 5K2.0 of the guidelines permits departure on the court's own motion or on request from the defendant or any other person or body. As the Sentencing Commission points out in its policy statement on section 5K2.0, "[some c]ircumstances [which] may warrant departure from the guidelines . . . cannot, by their very nature, be comprehensively listed and analyzed in advance." Guidelines Manual, Policy Statement to § 5K2.0, at 320.

The Court of Appeals for the Second Circuit has suggested that cooperation with a body other than the United States Attorney's Office might fall within section 5K2.0. In United States v. Agu, __ F.2d __, 1991 WL 237844 (2d Cir. 1991), for example, Judge Newman pointed out that the requirement of a

prosecutor's motion for a section 5K1.1 departure was "settled" in this circuit, but he cited with approval United States v. Khan, 920 F.2d 1100, 1106-07 (2d Cir. 1990). See Agu, 1991 WL 237844, at __. Khan in dicta indicated that information offered "regarding actions [defendant] took, which could not be used by the government to prosecute other individuals" could be used for a downward departure. 920 F.2d at 1107 (defendant may have saved the life of a confidential DEA informant). Agu noted that "the cooperation covered by section 5K1.1 is cooperation with the prosecution, leaving cooperation with the courts available as a ground for departure in the absence of a government motion, presumably under section 5K2.0." Agu, 1991 WL 237844, at __ (citing United States v. Garcia, 926 F.2d 125 (2d Cir. 1991)). In Garcia the Second Circuit approved a downward departure based on the defendant's "activities facilitating the proper administration of justice" in the courts. Id. at 128; cf. United States v. Sanchez, 927 F.2d 1092, 1094 (9th Cir. 1991) (based on defendant's assistance in a civil forfeiture proceeding, the district court properly denied downward departure under section 5K1.1 and exercised discretion not to depart under section 5K2.0).

If cooperation with the courts is covered by section 5K2.0, so, too, is cooperation with Congress. Cf. United States v. Harrell, 936 F.2d 568 (4th Cir. 1991) (unpublished opinion available on WESTLAW) (Murnaghan, J., dissenting) ("I would remand to the district judge to permit him to reconsider [the

effect of] Harrell's cooperation with congressional authorities [investigating fraud at HUD.]"). The courts have sentencing authority to reward cooperation of a defendant with an agency other than the prosecution when the United States Attorney has not requested a downward departure.

The Chief Counsel's letter of January 10, 1992 is, in effect, a request for a downward departure. Comity between independent branches of government suggests the desirability of assisting Congress in its important work where there is no strong conflict with a court's other sentencing responsibilities. Balancing Congressional needs and the judicial sentencing responsibilities in this case requires a downward departure in the exercise of the court's discretion.

In view of the importance of defendant's cooperation with Congress, a downward departure of three offense levels is appropriate. Absent such a departure, his offense level would be 11, with a guideline range of 8-14 months in prison. With the downward adjustment, his offense level is 8, providing a range of 2 to 8 months. Since he has served 8½ months, he is ordered released forthwith. The sentence is stayed for 7 days to permit the United States Attorney to appeal and to seek a further stay from the Court of Appeals.

SO ORDERED.

Jack B. Weinstein
United States District Judge

Dated: Brooklyn, New York
January 16, 1992

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----------X
UNITED STATES OF AMERICA

- against -

DIRK STOFFBERG,

Defendant.
----------X

AMENDED MEMORANDUM AND ORDER

CR 91-524

FILED
IN CLERK'S OFFICE
U. S. DISTRICT COURT E.D. N.Y.
★ JAN 21 1992 ★
TIME A.M.
P.M.

A P P E A R A N C E S :

For the Plaintiff:

Seth Marvin
Assistant United States Attorney
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

For the Defendant:

Thomas F.X. Dunn
7 Dey Street
Suite 1400
New York, NY 10007

WEINSTEIN, J.:

Defendant pled guilty to violation of munitions export laws. His sentencing guideline range is 8-14 months. Because he threatened violence during the course of his criminal activity, defendant would have been sentenced to 13 months, near the top of the guideline range, were it not for the intervention of Congress. He has already been in custody for 8½ months. The case poses the question: can a request for clemency by Congress support a downward departure in the guideline offense level? As

indicated below, the answer is yes.

The Chief Counsel of the Committee on Foreign Affairs of the House of Representatives requests that the court consider defendant's cooperation with the Committee. The letter reads:

One Hundred Second Congress
Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, D.C. 20515

January 10, 1992

Dear Judge Weinstein:

Mr. Dirk Francois Stoffberg has to date provided the House of Representatives Committee on Foreign Affairs with substantial assistance in an on-going investigation. It is expected that this assistance will continue into the future.

In addition, Mr. Stoffberg has offered to have his testimony preserved by deposition. He has also agreed to testify at any open or closed Congressional hearing if and when requested to do so. Our investigation pertains to the question whether the 52 Americans taken captive in Iran were held past the election of 1980 in violation of any U.S. laws. This issue is commonly referred to as the "October Surprise."

Although Mr. Stoffberg's cooperation may not lead to any criminal action, the information which he has voluntarily provided to us has already been helpful and, to some extent, has been corroborated by other evidence. I would, therefore, request that Mr. Stoffberg's cooperation be taken into consideration by you in the determination of his sentence.

I would be pleased to discuss the matter of Mr. Stoffberg's cooperation with you or your law clerk at any time before Mr. Stoffberg's sentencing.

Sincerely yours,

/s/

R. SPENCER OLIVER
Chief Counsel

It is the government's view that the court can impose a

sentence of time served, within the guidelines, without considering whether a downward departure is permitted on request of a representative of Congress. Such an approach is generally appropriate. It is not, however, desirable to avoid the downward departure issue in this case; the matter may arise again and again without an opportunity for Congress to test the courts' authority to depart downward as a reward for a cooperating witness. Cf. Nebraska Press Ass'n v. Stuart, 427 U.S. 539, 546-48 (1976) (consideration not barred where the issue is likely to arise again and yet escape review); Evan Tsen Lee, Deconstitutionalizing Justiciability: The Example of Mootness, 105 Harv. L. Rev. 603, 634-35 (1991) (shift from constitutional to prudential standards on mootness, standing, and ripeness); 644-45, 648 (not an advisory opinion to decide a case on the merits over objection of mootness, ripeness, lack of standing, or that the opinion is not necessary for the disposition).

The proper relationship among the three branches of government, legislative, executive, and judicial, in the field of sentencing continues to be perplexing and important. See, e.g., Mistretta v. United States, 488 U.S. 361 (1989) (composition of United States Sentencing Commission does not violate the separation of powers). One aspect of that relationship is now presented.

There are a variety of sequences possible in applying departure rules. One is to determine what the sentence would be without a departure, U.S. Sentencing Comm'n Guidelines Manual, at

1 (Nov. 1991), then to consider whether a departure is desirable, then to decide the amount of the departure (in terms of time or offense level), and, finally, to apply the departure to arrive at the actual sentence. See id.; cf. United States v. Kim, 896 F.2d 678, 685 (2d Cir. 1990) (upward departure); United States v. Coe, 891 F.2d 405, 412-13 & n.9 (2d Cir. 1989) (same). This explicit, step-by-step method is desirable in the instant case since the court is being asked by Congress to signal to the present defendant and to future defendants a capacity to treat a Congressional request as an application for an appropriate downward departure.

Section 5K1.1 of the guidelines does not permit a downward departure because, as the government properly argues, in the language of the section, the defendant has not "provided substantial assistance [to prosecutors] in the investigation or prosecution of another person who has committed an offense . . . ." Moreover, in the absence of a request from the United States Attorney, a downward departure under section 5K1.1 is generally not available. See, e.g., United States v. Agu, __ F.2d __, __, 1991 WL 237844 (2d Cir. 1991); United States v. Khan, 920 F.2d 1100, 1106 (2d Cir. 1990), cert. denied, 111 S. Ct. 1606 (1991).

By contrast, section 5K2.0 of the guidelines permits departure on the court's own motion or on request from the defendant or any other person or body. As the Sentencing Commission points out in its policy statement on section 5K2.0,

"[some c]ircumstances [which] may warrant departure from the guidelines . . . cannot, by their very nature, be comprehensively listed and analyzed in advance." Guidelines Manual, Policy Statement to § 5K2.0, at 320.

The Court of Appeals for the Second Circuit has suggested that cooperation with a body other than the United States Attorney's Office might fall within section 5K2.0. In United States v. Agu, __ F.2d __, 1991 WL 237844 (2d Cir. 1991), for example, Judge Newman pointed out that the requirement of a prosecutor's motion for a section 5K1.1 departure was "settled" in this circuit, but he cited with approval United States v. Khan, 920 F.2d 1100, 1106-07 (2d Cir. 1990). See Agu, 1991 WL 237844, at __. Khan in dicta indicated that information offered "regarding actions [defendant] took, which could not be used by the government to prosecute other individuals" could be used for a downward departure. 920 F.2d at 1107 (defendant may have saved the life of a confidential DEA informant). Agu noted that "the cooperation covered by section 5K1.1 is cooperation with the prosecution, leaving cooperation with the courts available as a ground for departure in the absence of a government motion, presumably under section 5K2.0." Agu, 1991 WL 237844, at __ (citing United States v. Garcia, 926 F.2d 125 (2d Cir. 1991)). In Garcia the Second Circuit approved a downward departure based on the defendant's "activities facilitating the proper administration of justice" in the courts. Id. at 128; cf. United States v. Sanchez, 927 F.2d 1092, 1094 (9th Cir. 1991) (based on

defendant's assistance in a civil forfeiture proceeding, the district court properly denied downward departure under section 5K1.1 and exercised discretion not to depart under section 5K2.0).

If cooperation with the courts is covered by section 5K2.0, so, too, is cooperation with Congress. Cf. United States v. Harrell, 936 F.2d 568 (4th Cir. 1991) (unpublished opinion available on WESTLAW) (Murnaghan, J., dissenting) ("I would remand to the district judge to permit him to reconsider [the effect of] Harrell's cooperation with congressional authorities [investigating fraud at HUD.]"). The courts have sentencing authority to reward cooperation of a defendant with an agency other than the prosecution when the United States Attorney has not requested a downward departure.

The Chief Counsel's letter of January 10, 1992 is, in effect, a request for a downward departure. Comity between independent branches of government suggests the desirability of assisting Congress in its important work where there is no strong conflict with a court's other sentencing responsibilities. Balancing Congressional needs and the judicial sentencing responsibilities in this case requires a downward departure in the exercise of the court's discretion.

In view of the importance of defendant's cooperation with Congress, a downward departure of three offense levels is appropriate. Absent such a departure, his offense level would be 11, with a guideline range of 8-14 months in prison. With the

downward adjustment, his offense level is 8, providing a range of 2 to 8 months. Since he has served 8½ months, he is ordered released forthwith. The sentence is stayed for 7 days to permit the United States Attorney to appeal and to seek a further stay from the Court of Appeals.

SO ORDERED.

Jack B. Weinstein
United States District Judge

Dated: Brooklyn, New York
January 21, 1992

United States House of Representatives

Task Force to Investigate Certain Allegations
Concerning the Holding of American Hostages
by Iran in 1980
(October Surprise Task Force)

Unclassified Appendix

62-366 - 93 - 10

Mr. DERRICK. Mr. Speaker, has the minority used all their time?

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. McEWEN] has expired.

Mr. DERRICK. Mr. Speaker, I yield 16 minutes to the distinguished gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, of course I rise in support of the resolution. I think I understand some of the deep feelings that have been expressed here this afternoon and this evening. I would like to try to put into some context my feelings about this investigation.

Mr. Speaker, obviously the threshold question is why we have an investigation? There are three reasons.

The first of those reasons are the circumstances of the time. The second is the seriousness of the allegations. The third is the evidence.

Let us start with the first one, that is, the circumstances of 1980 and 1981. Surely anybody would have to say that these circumstances were unusual and extraordinary. American hostages were released within minutes after Ronald Reagan was sworn in as President of the United States. Significant quantities of arms are alleged to have begun to flow very shortly thereafter.

When asked about the report of these arms transfers, former Reagan administration officials say they cannot recall any such transfers, and they have offered conflicting accounts of their origin and purpose. These circumstances are just extraordinary. That is reason No. 1.

Reason No. 2, I think, does not need elaboration. These allegations are extremely serious. Successful or not, any effort by representatives of the Reagan campaign to influence the outcome of the 1980 election, to delay the release of the hostages, all of us would surely agree if those allegations are true, then they represent a grave and dangerous abuse of constitutional process and a profound injustice.

Sure, we have other issues that are important on the agenda today. But protecting the constitutional processes of the United States has to be ranked as a major priority.

Now, these allegations are sufficiently alarming that former President Carter has called for an investigation. President Bush has said that he would like to see this matter put to rest. President Reagan has said that we should do all we can to clear the air. Fourteen of the former hostages, and I would urge Members to read their letter, have urged a formal congressional inquiry.

Let me say that I genuinely hope that these allegations can be disproven conclusively. I have yet to see any conclusive evidence of wrongdoing. But neither have I seen all of the evidence or heard from all who claim to have witnessed or participated in these events.

If these allegations can be proven false, they will be put to rest, and the stains on the reputations of many public servants who have been implicated will be removed.

If the allegations are proven true, corrective steps will need to be taken. If the allegations are true, we would do a disservice to the country if we failed to pursue an inquiry.

If the allegations are false, we would do a disservice to those who have been accused of misconduct if we fail to go forward.

Mr. Speaker, I do not see how one can get to the bottom of these matters unless one has a formal investigation by an official party with subpoena power, able to take statements under oath and to obtain secure access to information.

Mr. Speaker, how does one get to the bottom of this unless one has that kind of official power? Even these investigatory tools may not get us to the truth. But without them, the chances of learning the truth and ending the controversy are slim.

Mr. Speaker, the other point is the evidence. I have heard many statements deriding the evidence. and I have to acknowledge that one has to approach this evidence with a lot of skepticism.

□ 2040

Let me briefly, very briefly, try to summarize some of that evidence.

It is widely agreed that the Reagan campaign officials were deeply concerned about the possible political impact of a release of the American hostages. Mr. Allen, Mr. Denver have both said that.

Jamshid Hashemi gave a detailed account of a series of meetings he claims took place in Madrid in 1980, between Iranian Government representatives and Reagan campaign director William Casey. Five other sources independently claim knowledge of meetings involving Casey and Iranians in Madrid in July, and corroborate much of what Hashemi's characterization of the content of those meetings was.

Several sources report a series of meetings among William Casey, Iranian officials, and Israeli officials that took place in Paris over a weekend in October 1980.

I will name names: Hushang Lavi, an Iranian arms dealer; Oswald Lewinter, a man who claims to have worked for United States intelligence officers; two men with access to French intelligence; a French lawyer; Arif Durrani, a Pakistani arms dealer; William Herrmann, an American CIA contractor; an Arab diplomat, and there are other indications of evidence.

Let me repeat again, this is some of the evidence suggesting that a deal was arranged. That evidence surely should be treated with skepticism, and the credibility of several key sources is questionable. And those sources need to be regarded with caution.

Similarly, several individuals who have disputed some of these allegations also appear to have been mistaken or incorrect in their recollections.

Now, the magazine reports that have been referred to so often have challenged the October Surprise allegations and evidence. In my view, the fact that these magazines reached plausible but entirely different conclusions, for example, from Mr. Sick's book only underscores the need for a formal investigation. And may I point out to my colleagues that none of those journalists had the subpoena power, none of them so far as I know was able even to interview Mr. Hashemi. They simply were not able to contact a lot of the sources, not because they did not try but because they did not have the investigatory power.

I think we know enough about these charges to identify the lines of inquiry, and I understand that some of my colleagues are saying tonight that it is a waste of time pursuing this inquiry when there are so many urgent issues before us. And I agree, of course, that the Congress must make the important issues of the day its top priority.

But I also think we have the ability in this institution and the responsibility to focus on several important issues at one time.

Let me say a word about the investigation as I see it developing. The task force will make every effort to coordinate with the Senate. As best I can judge, the investigation will proceed in two stages. First, we will examine the paper trail associated with these allegations. This will involve locating and reviewing a substantial existing body of evidence relating to these allegations. During this stage the task force will take a lot of depositions.

Once that stage of inquiry is completed, the task force will then decide whether or not public hearings are warranted. The inquiry will be structured so that it can be altered or stopped at any point, if the facts demand.

The task force's primary objective will be to determine what, if anything, happened in 1980.

I understand my friends on the minority side have some real concerns. One of those concerns, as they have expressed repeatedly, is the scope of the investigation. Let me make several comments with respect to that.

First, this inquiry is prompted by significant evidence, certainly not conclusive, concerning allegations of misconduct by the Reagan campaign team in 1980. The resolution authorizes an investigation of those allegations. I heard claims about Carter administration policy during the hostage crisis, but I have not heard allegations of misconduct or illegality of the Carter administration.

The point I want to make is that the allegations of wrongdoing relate to the

App. 0001

Reagan campaign team. The allegations do not relate, so far as I know, to the illegality or the misconduct of the Carter administration.

The second point, may I say to my friends on the other side of the aisle, is this, that Members of Congress cannot be denied and should not be denied the opportunity to raise issues they believe relevant to a matter before them. The policies in place when the alleged events of 1980 are said to have occurred are relevant to this inquiry.

Members of the task force would certainly be able to raise any questions or issues whose relevance to the task force mandate can reasonably be demonstrated.

Now, about the duration of the investigation. My friends on the minority side want to limit the investigation to a set time, six months. May I say to my colleagues that I really do have a lot of sympathy with that demand, but certainly they can understand that when we are investigating, we do not know how that investigation will go. We are going to have to begin by seeking security clearances for some of our people. That is a process that took months during the Iran-Contra investigation. We do not control that. The executive branch controls it, and if they wanted to delay for 3 or 4 months, and I am not making the accusation that they do, but if they wanted to, it could hold us up.

Second, evidence concerning these allegations is likely to be scattered around the world, and it is going to take time to locate them. And next, we are going to have to deal with a number of foreign governments. And when we deal with foreign governments, we have to deal with the protocol of those governments and go through their channels. And we cannot force that process or speed that process.

I do hope my friends understand that the time limit is finite because it relates to the 102d Congress, but I do believe that imposing a time limit would really be quite unwise. We plan to go where the facts lead us. We do not know the facts. We do not know how much time will be needed to get there. And it is to no one's advantage to trade speed for thoroughness.

Let me conclude with a few personal observations. I want to do the very best I can to make this investigation thorough, professional and fair. I intend to conduct this investigation in as bipartisan a manner as possible. I have worked frequently with the gentleman from Illinois [Mr. HYDE], your task force leader. He is an able and honorable man in this institution, and he and I will work hard together, I am confident, to carry this investigation out properly.

I will not try to blindside Members or to deny them an opportunity for fair and reasonable access to the documents and to the witnesses.

I frankly do not understand the intensity of some of the opposition to this task force. If Members are confident that the alleged events of 1980 did not occur, what then do they have to fear from a formal inquiry? Do they not see the advantages of our country putting to rest these concerns and suspicions? Would we not all be better off if a serious and thorough effort is made to find out what did and what did not happen in 1980? Why let these allegations continue to undermine public trust in our government and the reputations of so many individuals?

My own view is it would be better for us to try to find out what we can with this special investigation and with the tools that are available to us.

□ 2050

I understand that some say that a House investigation is bound to be partisan and unfair. I cannot see how any political party or any elected official, least of all those of us on the task force, could benefit from an investigation that is perceived to be partisan or sloppy or less than thorough. I know that a perfect investigation is not possible, but a flawed investigation would damage the reputations of those who conducted it and reflect unfavorably on this House.

Finally, let me say that I will do my best to see that this inquiry is carried out with a small staff and a modest budget. We will hire outside legal counsel and investigators as needed, but we will rely as much as possible on current congressional staff and other staff that can be seconded. We recognize the need to keep the cost of the inquiry as low as possible while proceeding expeditiously.

Mr. Speaker, I urge the adoption of this resolution.

Mr. Speaker, I include for the RECORD the memorandum of general counsel Steven R. Ross and deputy general counsel Charles Tiefer on the subject of the authority for a chairman to initiate a committee inquiry.

The document referred to follows:

MEMORANDUM

From: Steven R. Ross, General Counsel to the Clerk, and Charles Tiefer, Deputy General Counsel to the Clerk.

Subject: Authority for Chairman to Initiate Committee Inquiries

We have been asked whether a House Committee Chairman has authority to initiate a committee investigation involving certain steps, such as writing letters, without a committee vote. As described below, the courts have found such a procedure entirely appropriate. Many investigative actions, like scheduling hearings, sending letters relating to an investigation, or asking staff to look into a matter, are among the actions by which a chairman appropriately provides for information to come to a committee. These are legally quite distinct from using the subpoena power for compulsory provision of information, and it is only the subpoena power which requires the more formal committee authorization steps addressed in House Rule XI(2)(m).

DISCUSSION

The House of Representatives's rules, precedents, and practices address in many respects one of its most important procedures, the conduct of committee investigations. House Rule XI.1(b) provides:

"Each committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate * * *."

The rule only tells committees they are "authorized at any time to conduct such investigations," not how they are to do so. It is just as consistent with this rule for the instigation of the investigation, and some of the various steps, to occur on a chairman's instructions as by committee vote. Moreover, it is well known that chairman of committees or subcommittees have a number of responsibilities with respect to investigations, including scheduling hearings and announcing their subjects, and assigning staff to prepare prior to the hearings. See, e.g., House Rule XI(2)(c)(1) and (k)(1). Both the Rules and Jefferson's Manual also prescribe the aspects of investigations that typically require collective participation of committee members, such as a votes to issue subpoenas, requirements regarding quorums and closed sessions, and reports of the committees. See, e.g., House Rule XI(2)(g)(2), (h)(2), and (m)(1) [1]

Many House Committee investigations begin by committee inquiry letters asking for information, and assigning staff to investigate, and this procedure has recently been described and discussed with approval by the United States Court of Appeals for the Fourth Circuit. In *United States* v. *Mitchell*, 877 F.2d 294 (4th Cir. 1989), the Court upheld a conviction for obstructing an investigation by the House Committee on Small Business. The Court said of the obstruction statute that "[t]o give § 1505 the protective force it was intended, corrupt endeavors to influence congressional investigations must be proscribed *even when they occur prior to formal committee authorization.*" Id. at 301 (italic added). The Court explained the factual background:

"Applying these principles to the case at hand, all of the circumstances surrounding this investigation point to the conclusion that appellants' corrupt endeavor was directed towards a legitimate House investigation. *The investigation was instigated by the chair of a House committee* that unquestionably has jurisdiction over the subject matter of the inquiry. The letter from Congressman Mitchell to the SBA expressly said that "[t]his Committee is presently conducting an investigation" and referred to the Small Business Act for its authority to do so. Furthermore, the investigation was handled by the chief investigator of the Small Business Committee on a continuing basis for several months. * * * *[T]his was a congressional investigation.* Accordingly, we

[1] See House Manual § 407 (Jefferson's Manual section on bills, addressing the requirement of a meeting for the committee to report) ("A committee . . . can only act together, and not by separate consultation and consent—nothing being the report of the committee but what has been agreed to in committee actually assembled"). Jefferson's Manual is clearly speaking at this point about committee reporting of bills, as this is the section on bills. The section regarding investigations, section XIII, "Examinations of Witnesses," House Manual § § 342-43, discusses procedure for hearings (how questions are put, that "testimony given in answer * * * before a committee [] must" be "written down," and similar matters) but does not discuss steps preliminary to hearings, such as the chairman's role in scheduling them and deciding their subject, writing letters, or using non-Member assistance.

hold that *the investigation instigated by Congressman Mitchell was an investigation by the Small Business Committee* of the House that was protected by § 1505." Id. at 301.

When the Fourth Circuit said explicitly and repeatedly, as the heart of its holding in the case, that an investigation initiated by the Chairman "was a congressional investigation" and "was an investigation by the Small Business Committee," it plainly considered, and rejected, the argument that something more than the Chairman's initiation was required. Moreover, the Fourth Circuit counted two actions as the classic signs of a chairman-initiated, proper investigation: writing of a letter, and handling by the Committee's staff and (the "chief investigator of the Small Business Committee").

The same sustaining of Chairman-initiated investigations occurred in the series of Iran-contra cases in the United States District Court for the District of Columbia. In these well-known prosecutions, the background of House investigations was that in 1985 and 1986, the chairmen of the House Permanent Select Committee on Intelligence and the House Subcommittee on Western Hemisphere Affairs sent inquiry letters to the National Security Council seeking documents and other information regarding the allegations in press stories about NSC activities. Those letters were sent without prior committee or subcommittee votes, and the inquiries occurred without the more formal procedures of subpoenas to witnesses, or witnesses under oaths. Despite the absence of such prior votes or other formal procedure, members of the NSC staff were indicted for obstructing the inquiries, destroying records, and providing false answers.

The Court rejected the defendants' challenges to the indictment, holding that the defendants' acts constituted the felony offenses of obstruction of Congress and of making false statements, even though the inquiry letters and responses occurred in the absence of votes, subpoenas and oaths. See *United States* v. *North*, 708 F. Supp. 372 (D.D.C. 1988); *United States* v. *North*, 708 F. Supp. 380 (D.D.C. 1988). (The indictments have come into question because the NSC staff were later immunized in the 1987 Iran-contra hearings, but the 1987-immunity legal questions are separate from the 1985-86 House investigations.) [2]

For the obstruction counts against each defendant, it sufficed that letters "sent by The Honorable Michael Barnes, Chairman of the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee (HRAC), and the Honorable Lee Hamilton, Chairman of the House Permanent Select Committee on Intelligence (HPSCI), [which] referred explicitly to the Boland Amendment" had "instituted] inquiries directed towards North's conduct regarding advice and fund-raising support to the Nicaraguan rebel leaders. * * * Both letters were on official stationery and each letter was signed by the Congressman in his official capacity as Chairman." 708 F. Supp. at 381-82. "In response to separate letters from the chairmen, North allegedly drafted obstructive responses," and "[C]hairmen of two of these committees wrote on behalf of their committees to the President * * * defendant Poindexter responded in separate letters to all three committees." 708 F. Supp. at 374 nn. 3 & 4.

The Court rejected objections by the defendants that such procedures would not suffice for perjury prosecutions, particularly due to the absence of the oath. "[North's] arguments are addressed to the wrong forum. * * * [since] the [false statements] statute does not allow North's interpretations. Congress may set the policy it expects from those who deal with it. Congress felt that less exacting standards than are included in the perjury statute were appropriate for ensuring the integrity of governmental functions. *United States* v. *Gilliland*, 312 U.S. 86, 95 (1941); *United States* v. *Rodgers*, 466 U.S. 475, 482-83 (1984)." 708 F. Supp. at 384. Accordingly, the Court held that the indictment properly stated the offenses of obstruction, and providing false statements, regarding the responses that occurred to the House Committee and Subcommittee Chairmen's letters of inquiry.

Of course, the various House committees and subcommittees have their own rules and procedures. Different inquiries by different committees may follow their own individual paths. Committees may decide among themselves, by precedent or newly devised procedures, how to conduct any particular inquiry. A committee can even adopt rules requiring committee votes before initiation of major inquiries, as the House Un-American Activities Committee did, and if such a rule is adopted, "it must be strictly observed." *Gojack* v. *United States*, 384 U.S. 702, 708 (1966). However, HUAC had special reasons, stemming from the controversial nature of its investigations, for adopting such a rule, and the vast majority of committees have not had any reason to adopt such a rule. For committees without such a rule, the ordinary procedures by which chairmen commence inquiries—through inquiry letters, scheduling hearings, or staff studies—are proper without committee votes in advance. The different procedural questions which arise when a committee invokes its power to issue compulsory process pursuant to the subpoena power of House Rule XI(2)(m) only arise when, and if, the committee elects to invoke its subpoena power.

While it may be true under clause 1(b) of Rule XI that a committee or subcommittee acting as a collegial body should at some point meet if that question is raised to determine whether to conduct an investigation, it is also true under clause 2(b)(1) of Rule X that each standing committee has the oversight responsibility to "review and study, on a continuing basis, the application, administration, execution and effectiveness of those laws * * * within the jurisdiction of that committee * * *." In furtherance of this responsibility, it has been traditionally proper for the chairmen of committees or subcommittees to initiate preliminary "reviews or studies" i.e. inquiries which in a general sense may be termed preliminary investigations, in preparation for possible investigations to be undertaken by the committee and subject to ultimate direction and control of the committee. In fact most Members know that committee investigations are normally undertaken without the need for a formal committee vote where the need for the "investigation" is understood, or by the issuance of subpoenas where formal committee action is deemed necessary.

It is essential, for example, that a chairman's preliminary inquiry be able to minimize the possibility of the destruction of documents pending their formal incorporation as committee files. There exists an inherent authority for a chairman to take preliminary steps to request and preserve testimony and documents.

The courts have even agreed that congressional investigations need not have been formally authorized pursuant to the letter of a committee's rules in order to be due and proper exercise of the power of inquiry under the obstruction of witnesses statute (18 U.S.C. 1505), where it is apparent from all surrounding circumstances that the inquiry is a legitimate exercise of the investigative authority within the committee's purview (U.S. v. Mitchell, 877 F.2d 294 (4th Cir. 1989).

Mr. DERRICK. Mr. Speaker, I submit the following exhibits for the RECORD.

[From the New York Times, Apr. 15, 1991]

THE ELECTION STORY OF THE DECADE

(By Gary Sick)

Suspicions about a deal between the Reagan campaign and Iran over the hostages have circulated since the day of President Reagan's inaugural, when Iran agreed to release the 52 American hostages exactly five minutes after Mr. Reagan took the oath of office. Later, as it became known that arms started to flow to Iran via Israel only a few days after the inauguration, suspicions deepened that a secret arms-for-hostages deal had been concluded.

Five years later, when the Iran-contra affair revealed what seemed to be a similar swap of hostages for arms delivered through Israel, questions were revived about the 1980 election. In a nice, ironic twist, the phrase "October surprise," which Vice Presidential candidate George Bush had coined to warn of possible political manipulation of the hostages by Jimmy Carter, began to be applied to the suspected secret activities of the 1980 Reagan-Bush campaign.

I was a member of the Carter Administration and on the staff of the National Security Council from August 1976 to April 1981, with responsibility for monitoring Iran policy. I first heard these rumors in 1981 and I dismissed them as fanciful. I again heard them during the 1988 election campaign, and I again refused to believe them. I had worked in and around the Middle East long enough to be skeptical of the conspiracy theories that abound in the region.

Then two years ago, I began collecting documentation for a book on the Reagan Administration's policies toward Iran. That effort grew into a massive computerized data base, the equivalent of many thousands of pages. As I sifted through this mass of material, I began to recognize a curious pattern in the events surrounding the 1980 election. Increasingly, I began to focus on that period, and interviewed a wide range of sources. I benefited greatly from the help of many interested, talented investigative journalists.

In the course of hundreds of interviews, in the U.S., Europe and the Middle East, I have been told repeatedly that individuals associated with the Reagan-Bush campaign of 1980 met secretly with Iranian officials to delay the release of the American hostages until after the Presidential election. For this favor, Iran was rewarded with a substantial supply of arms from Israel.

Some of the sources interviewed by me or my colleagues are or were government officials who claimed to have knowledge of these events by virtue of their official duties or their access to intelligence reports. Most insisted on anonymity.

Other sources are low-level intelligence operatives and arms dealers who are no boy scouts. A number of them have been arrest-

[2] The subsequent histories of the case include trials, and appeals, and reversals on other grounds. *United States* v. *North*, 910 F.2d 843 (D.C. Cir. 1990), *cert. denied*, 111 S. Ct. 2235 (1991). indictment dismissed on remand on September 16 1991; *United States* v. *John M. Poindexter*, No. 90-3125 (D.C. Cir. decided Nov. 15, 1991.) The appeals focused on the issue of immunity, and on some of the jury instructions, not the pretrial rules discussed herein regarding the sufficiency of the indictments.

LEE H. HAMILTON, INDIANA
CHAIRMAN

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
CHIEF COUNSEL

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives

Washington, DC 20515

HENRY J. HYDE, ILLINOIS
RANKING MINORITY MEMBER

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
CHIEF MINORITY COUNSEL

Investigators MOU

July 13, 1992

TO: Investigative Staff

FROM: E. Lawrence Barcella, Jr. - Chief Counsel
Richard J. Leon - Chief Minority Counsel

RE: Investigative Procedures

The following sets forth the informal understanding between the Majority and the Minority of the Task Force of certain terms and procedures relating to the use of law enforcement investigators ("agents") detailed to the October Surprise Task Force by Executive Branch agencies.

(1) Professional law enforcement investigators assigned by Executive Branch law enforcement agencies (i.e. F.B.I., A.T.F. and Customs) shall be a joint resource to both the Majority and Minority of the Task Force.

(2) All assignments to the investigators of the Chief Counsel, and or the Chief Minority Counsel, shall, for administrative purposes be made either by or through the Chief Counsel. The Chief Counsel shall provide timely notice to the Chief Minority Counsel of all assignments to the investigators.

(3) Unless directed otherwise by the Chief Counsel, or the Chief Minority Counsel, Task Force Agents may conduct interviews personally or by telephone. Such interviews shall not be under oath unless directed by the Chief Counsel, upon consultation with the Chief Minority Counsel.

(4) With regard to personal interviews, Task Force agents shall provide the Chief Counsel, except in extraordinary circumstances, who shall in turn notify the Chief Minority Counsel, sufficient advance notice of the pending appointment so that they can reasonably determine whether to assign an attorney to attend the interview.

Furthermore, with regard to all personal interviews, Task Force agents shall:

(a) inquire whether the witness is represented by counsel, and if so, inform the Chief Counsel and Chief Minority Counsel accordingly, prior to scheduling the interview;

(b) take notes during all interviews and keep the originals of the same as a record of the Task Force;

(c) reduce to writing, in memorandum form, the substance of all personal interviews within five working days, unless circumstances prevent that schedule and the Chief Counsel approves the delay;

(d) provide both the Chief Counsel and the Chief Minority Counsel a copy of the interview memorandum; and

(e) insure that any documents, records, exhibits or other evidence obtained from the interviewed witness are turned over immediately to the Task Force security officer pursuant to the procedures relating to the same.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

March 2, 1984

The Honorable Don Albosta
Chairman
Subcommittee on Human Resources
Committee on Post Office and
Civil Service
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Albosta:

Further with respect to your letter of February 15, 1984, enclosed is an affidavit I have executed in response to your letter. While I have not had access to the information your Subcommittee has obtained during the course of its inquiry, in the spirit of continued cooperation I have responded to the matters based upon my knowledge, recollection or belief.

Sincerely,

William J. Casey

WJC:sl

Enclosure

App. 0021

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

85D382, 10707

92-053
12 2

00952

A CHRONOLOGY ON IRAN
NOVEMBER 8 - DECEMBER 21, 1979

1979

Nov 8 The Ministry of Foreign Affairs of the Islamic Republic of Iran announces that the American Charge d'Affaires, L. Bruce Laingen, and two of his colleagues, are safe in the Ministry under the protection of the Government. Iranian authorities offer assurances as to their security.

The Iranian students occupying the American Embassy at Tehran show reporters spy paraphernalia they allege they found in the compound. In a statement, the students claim that "all this demonstrates the existence of a full-scale intelligence operation to cover all the events taking place in Iran." Photographs of some of the hostages are shown to the reporters. Two of the hostages are observed being led blindfolded in the compound's park.

The Ayatollah Khomeini is reported by the Iran Times to have stated: "This great Satan--America is clamoring and gathering around it other Satans because its hand has been cut off from our resources. It is afraid this amputation may become permanent. Therefore, it is plotting. As for that center (the U.S. Embassy) occupied by our young men, I have been informed that it has been a lair of espionage and plotting."

The Iranian students reject any Palestinian effort to mediate the dispute, claiming "that any kind of discusssion in this respect is impossible until the Shah's extradition." The Palestinians deny any such intent.

In regard to the Palestinian role, State Department Spokesman Hodding Carter states: "We are not really sure what the PLO has in mind. But if they are moving to help release the Americans now at the Embassy, it would be a highly responsible action in a situation in which they may have some influence. We would welcome such assistance."

Nov 9 President Carter issues a statement indicating that he has been following the developments in Iran with great concern. He emphasizes his solicitude for the safety and security of the hostages. He reveals that he has been in contact with a number of delegations and with the Iranian Charge d'Affaires, whom he is to meet again later that day.

Following a meeting of the United Nations Security Council, called at the behest of the United States, the Council issues an appeal

009521

urging the immediate release of the hostages and stressing the "inviolability of diplomatic personnel and establishments". The Council does not call for specific measures and indicates it does not seek to interfere in internal affairs.

Tehran's spiritual leader, Ayatollah Hossein Ali Montazeri, attacks the United States for admitting the Shah. "We are not at war with te American people," he asserts, "but our dispute is with the American government which is giving shelter to the assassin of 50,000 Iranians." He is quoted in the Washington Post as stating "If we cut off oil supplies, the U.S. and Europe will be paralyzed."

The students warn other governments "that accepting the bloodthirsty Shah is tantamount to confrontation with the world of Islam."

A Papal message to Khomeini asking him to assure the safety of the hostages is delivered to the Iranian Foreign Minister by Bishop Annibale Bugnini. The Ambassadors of the European Community join in a demarche to the foreign ministry seeking access to the hostages and to the American charge. Laingen reportedly discusses the hostage-taking for the first time with a member of the ruling Revolutionary Council, Abol Hassan Bani-Sadr.

The United States announces the suspension of deliveries of some $300 million in military equipment and spare parts to Iran.

Some 900 Iranians demonstrate in Washington, D.C. in support of the seizure of the U.S. Embassy.

Nov 10 Attorney General Benjamin Civiletti is instructed by President Carter to initiate deportation proceedings against Iranian students who are found to be in the United States illegally.

The International Longshoreman's Association reveals its sentiments by instituting a work stoppage against Iranian ships at U.S. ports until the release of the hostages.

The students holding the hostages release a petition purportedly signed by 33 of their captives calling on the United States to return the Shah to Iran. Letters from three of the hostages expressing similar sentiments are also made public. According to the New York Times, there is no way to determine the authenticity and/or voluntary nature of these statements.

Bani-Sadr is apointed Foreign Minister. In a broadcast speech, which he terms a message to the American people, Bani-Sadr describes the Embassy as "a spy nest" that virtually ran Iran in the past.

At the invitation of the Iranian students, diplomats from France, Sweden, Syria, and Algeria visit the hostages. Afterwards the Swedish envoy states: "We did not have any serious complaints from the hostages about their state of health, which seemed to be good."

009522

After meeting with Bishop Bugnini at Qom, Ayatollah Khomeini rebuffs the Pope on state-run television. The New York Times quotes him as saying: "How come the Pope thinks of the hostages now? For the 37 years of the Shah's regime the Vatican was aware of all the oppression of Iran and never once rose against the Shah. Why is it so suddenly concerned?"

United Nations Secretary-General Kurt Waldheim tells the Iranian charge at the U.N. that he is ready to help "in any appropriate way" to bring about the end of the detainment of hostages.

The PLO promises to exert its "utmost efforts" to obtain the release of the American hostages.

Nov 11 Bani-Sadr distinguishes between embassies that are inviolable and the U.S. Embassy, which he describes as "the center of control over a country ...our politics, economy, army and culture were directly in its hand." The Foreign Minister is further quoted by the Tehran Domestic Service as stating: "We would not be satisfied...even if the Shah dies in the United States if he is expelled, we would still set up this Court, because it is the Americans who want to judge for their misdeeds, their crimes in Iran."

Bani-Sadr discusses the crisis with 10 European Ambassadors.

Bishop Bugnini vists the hostages.

Nov 12 The PLO admits the failure of its mediation effort.

President Carter orders an immediate suspension of oil imports from Iran, declaring that the United States will not yield to the "unacceptable demands" of the students holding the hostages. In retaliation, the Iranian Revolutionary Council cuts off oil exports to the United States.

Nov 13 Attorney General Civiletti announces that all Iranian students in the United States will have to report to the Immigration and Naturalization Service (INS) within 30 days to show they are enrolled as full-time students, in compliance with the terms of their visas. Failure to report or providing false information to INS will subject a student to deportation proceedings.

The House of Representatives votes 379 to 0 to discontinue foreign aid to Iran, although the foreign aid bill contains no funds for that country.

Iranian prerequisites for the release of the hostages are set forth in a letter from Foreign Minister Bani-Sadr to the United Nations Secretary-General: "...Our proposal is simple and very practical. The American Government should, at least, accept the investigation of the guilt of the former shah of Iran and its consequences. The American Government should return to the Iranian Government the wealth and property which the shah, his family and the leaders of the former regime have transferrred to the United States. Are

009523

these two proposals not just, and are they not in the interest of the spiritual elevation of the American nation and all humanity?"

Regarding the Iranian call for a meeting of the Security Council, the New York Times reports the Department of State as replying that "first priority has to be given to the hostage release." Jody Powell, Press Secretary to the President, is reported to have said that "Nobody should forget that the issue involved here is the holding of diplomatic personnel in the American Embassy in a fashion contrary to international law and the accepted procedures of international relations".

Sadegh Ghotbzadeh, the supervisor of the Voice and Profile of the Islamic Republic of Iran, informs reporters of Iran's three basic conditions for the return of the Shah. One of these is that an internatonal team of Iran's choosing should interrogate him and compile a dossier so that he can be tried by a competent Iranian court. When he is asked about the Shah's fate if he is handed over, Ghotbzadeh replies that he will be tried and killed. No negotiation with the United States or any mediator is possible, he emphasizes, and there will be no end to the Embassy seizure until the Shah is in Iran's hands.

A student leader at the Embassy warns that the hostages will be killed if the United States "sends in its combat troops."

Nov 14 President Carter issues an Executive Order pursuant to the International Emergency Economic Powers Act blocking "all official Iranian assets in the United States, including deposits in the United States banks and their foreign branches and subsidiaries." He does this after Iran announces its intention to withdraw its funds from the United States. Treasury Secretary William Miller states that "This is not related to the hostages because the response at the moment is in terms of protecting these assets from being moved beyond our jurisdiction so that American claims could not be provided for." Bani-Sadr places the value of the blocked reserves at approximately $12 billion, and indicates that Iran's intended target was the banking interests instrumental in gaining the Shah's entrance into the United States.

The President of the United Nations Security Council informs Iran of the unanimous will of the Council that, so long as the hostages are held, its complaints against the United States cannot be heard.

Iran reportedly closes its air space and territorial waters to U.S. aircraft and shipping.

Former Attorney General Ramsey Clark is recalled by President Carter after failing to gain entrance to Iran in his mission to negotiate the release of the hostages.

Nov 15 Iran announces the formation of a new cabinet.

In his first public statement since the taking of the Embassy, President Carter denounces the holding of the American hostages as

009524

an "act of terrorism totally outside the bounds of international law," and warns Iran that it will be held accountable for the hostages' safety and well-being. Though having good reason to be angry, he calls upon the American people to show "restraint" and "firmness."

Bani-Sadr asserts that in retaliation for the freeze of its assets by the United States, Iran is no longer accepting dollars in payment for its oil. "If all the other oil countries follow us," he is quoted as saying in the Washington Post, "the dollar is finished." "I was against taking hostages from the start," he is reported as saying, but "now we are confronted with a fait accomplis. To free them would be a sign of weakness."

The students issue a statement warning that they, and they alone, will make decisions regarding the release of the hostages.

Bani-Sadr is reported by the New York Times as having said that black and women hostages are to be released because "Islam has a high regard for women and because blacks are part of an impoverished downtrodden society."

Iran notifies several American oil companies that regardless of the destination no petroleum will be sold to them.

Nov 16 Syria calls upon the Arab nations to throw their support to Iran in its confrontation with the United States.

In a statement, the students occupying the Embassy warn that if the Shah leaves the United States for another country "the hostages will find themselves in more difficult conditions."

Iran's Petroleum Minister denies that Iran will no longer accept dollars in payment for its oil.

Nov 17 Ayatollah Khomeini issues a decree instructing the students "to hand over the blacks and the women, if it is proven that they did not spy, to the Ministry of Foreign Affairs so that they may be immediately expelled from Iran."

A statement released by the White House urges "that the authorities in Iran now move to secure the safe release of all those still being held."

Three hostages are immediately freed and four women and six blacks are designated to be released. Two women and one black still are to be detained.

Khomeini urges the Kurds to join in the Iranian revolution in opposition to the "plunders led by America."

Bani-Sadr announces a ban against transactions with companies having commercial and industrial dealings with Israel.

The Iranian Charge in Mexico expresses the hope that Mexico will close its doors to the deposed Shah.

Nov 18 The students make an appeal to the American people to force President Carter to return the Shah. They express confidence that if the Americans knew the truth about the Shah and the "crimes" committed within the Embassy, they would favor returning the Shah.

Ayatollah Khomeini grants interviews to representatives of the three U.S. television networks. He refuses to release the hostages whom he describes as "spies." Until the Shah is returned, he rules out any negotiations. He states, however, that the hostages will not be killed.

Kuwait is reported in the New York Times as viewing the U.S. freeze of Iranian assets as an "extremely dangerous precedent," one that raises "a grave concern about the future of international financial relations."

Nov 19 In a statement issued by the White House and the Department of State, the United States demands that all of the remaining hostages be released. Any effort to try the hostages as spies, the statement asserts, would be a flagrant violation of human rights, religious precepts, and international law. The statement reflects the anger of the President, reports the New York Times, over Khomeini's threat to put some of the hostages on trial for spying.

Ten more hostages are released by the students.

Nov 20 The Ayatollah Khomeini proclaims November 21 as a day of marching throughout Iran to demonstrate the will of the people to "crush colonialism and exploitation, especially by the United States, the number one enemy of the Iranian nation." Speaking to the Iranian people, Khomeini says that "At times, Carter intimidates us with military threats, and at times with economic threats but he himself knows that he is beating an empty drum. Carter does not have the guts to engage in a military operation." A guilty person, he emphasizes, must be returned to the scene of his crimes for trial. He goes on to say: "We shall close down the embassy. This center of espionage will no longer continue here in the name of the embassy, unless all this spying business stops and they decide to have an embassy, not a place of espionage. If they return him, this is possible. If they close this place of espionage and if they return him it is possible that we might have relations which will be useful to us. So long as that person is there, we shall not sever our relations, because we must keep these people here. These people who are now with us are spies, not diplomats."

Khomeini repudiates the written pledge of Bani-Sadr to attend a forthcoming U.N. Security Council meeting. He describes such a session as having a predetermined course dictated by the United States. "Our nation does not agree with the made-to-order Security Council meeting," he tells the Iranian people in a broadcast speech.

009526

The New York Times reports that President Carter is sending a second naval task force into the Indian Ocean south of Iran. Following a meeting between President Carter and his top advisers, the White House issues a statement indicating a preference for a a peaceful settlement of the dispute, but noting the other options available under the U.N. Charter.

An attack upon the Grand Mosque of Mecca takes place.

Nov 21 The Iranian students warn the American Government that:

> "1. If it is felt that the U.S. threats are becoming a reality, all the hostages will be killed at once.
>
> 2. In the event of the slightest military offensive by America, all Americans residing in Iran will be endangered and the embassy, which has been a place of espionage, will blow up."

They issue a 17 point resolution indicating the Embassy is "a base of espionage and conspiracy" against Iran and not a "base of diplomatic activity." They go on to say that:

> "The American hostages must be tried in Iran, and after exposure of their treacheries committed on orders from the American government, they must be punished, unless the American government hands over the deposed Shah to the Iranian nation, in which case they will be commuted by one degree (as heard), their trial will be foregone and they will be expelled from Iran."

Jody Powell, the President's Press Secretary, issues a statement detailing the harsh treatment of the American hostages. He states that the United States holds Iran "strictly accountable" for the safety of the hostages.

Iran assures the international financial community that it intends to meet its obligations. The declaration is in response to a decision by a U.S.-led banking syndicate to hold Iran in default of a $500 million loan. Iran describes the default technical because of the freezing of its assets.

Following inaccurate radio reports implicating the United States in the seizure the day before of the Grand Mosque of Mecca, Pakistani mobs attack and partially burn the American Embassy in Islamabad and also attack the American Consulate in Karachi, the American Library in Lahore, and the American Cultural Center in Rawalpindi. The United States is angered by Iranian radio reports crediting the false rumors of U.S. involvement in the Mecca affair. Huge anti-American demonstrations mark the first day of Muharram, the Shi'ite Muslim month of mourning.

Nov 22 Speaking to Pakistani military officers returning from Mecca, Khomeini expresses his joy that Pakistan has risen against the foreign tyranny of the United States. He makes a strong plea for Muslim unity in the face of the "satanic plots and tricks" of the United States. He speaks of the need to return a criminal for trial to the place of his wrongdoing.

Bani-Sadr, in an interview with heads of news centers, dismisses the Vienna Convention as not having been accepted by the Iranian people but only by the Pahlavi regime.

Ghotbzadeh reportedly states that the trial of the hostages will start "soon" if the United States continues to "play for time" in refusing to extradite the Shah.

The countries of the 21-member Council of Europe appeal to Iran to release the hostages. They condemn the seizure as a "flagrant violation of international law."

Nov 23 The Assembly of experts, elected the previous August to review and revise the draft republican constitution, presents the finished document to Ayatollah Khomeini. The Revolutionary Council institutes cabinet changes.

Nov 24 One day after meeting with Foreign Minister Bani-Sadr, Representative George Hansen (R-Idaho) visits "fewer than 20" hostages at the Embassy. He reports they are "in relatively comfortable circumstances." He is the first American allowed into the Embassy compound since the November 4 seizure.

Both the Ayatollah and the students accuse the United States of being involved in the attack on the mosque in Mecca. Once again Khomeini issues a call for Muslim unity.

Nov 25 U.N. Secretary-General Waldheim calls for an urgent Security Council meeting on the Iranian situation. He says he considers the matter the most serious threat to peace since the Cuban Missile crisis. The United States supports his appeal.

In an interview with Paris AFP, Bani-Sadr says the United States is about to mount an economic blockade of Iran. "The moment has arrived," he states, for countries of Europe and the Third World "to be saved from domination by the dollar."

Nov 26 In an interview with a correspondent for Le Monde, Khomeini says President Carter is Iran's enemy, not the American people. He denies having approved the intent of the students to kill the hostages should the United States take military action. He claims merely that he would not be able to control them under those circumstances.

Department of State spokesman Hodding Carter emphasizes the great unity of the American people in the face of the provocation by Iran.

App. 0041

009528

The United States begins a voluntary evacuation of nonessential diplomats, dependents and businessmen from about 10 Islamic countries where they face a potential threat.

The Security Council unanimously agrees to hold a formal debate on the seizure of the Embassy and its occupants.

Nov 27 The students announce that the Embassy compound has been mined.

The Secretary General of the Tudeh (Communist) Party expresses his support of the Embassy takeover in a press interview.

Khomeini rejects the proposed Security Council meeting.

President Carter describes the treatment of the hostages as "a disgrace to every person who believes in civilization or decency." He asserts that the "slate cannot be wiped clean" even if Iran frees the hostages.

Nov 28 Iran wins a three-day postponement of the Security Council debate, which Bani-Sadr is expected to attend. Le Monde reports that Khomeini, foreseeing a defeat for Iran, opposes Bani-Sadr's participation in the debate. The Foreign Minister allegedly fails in his effort to persuade the Ayatollah otherwise. Thereafter he is removed by Khomeini and the Revolutionary Council from his position as Foreign Minister, although he retains his Economic and Financial Affairs portfolio. Ghotbzadeh becomes the third Iranian foreign minister in three weeks.

In a nationally televised news conference, President Carter accuses the government of Iran of an unprecedented violation of international law and standards of civilized behavior and declares that the United States "will not rest or bend in our efforts" until all American hostages in Tehran are freed. Because he favors "a peaceful solution" over "the other remedies available--for the United States and the world," the President expresses the hope that a Security Council debate will lead to such a result. The President declares he has "no regrets and no apologies" for his decision to admit the Shah.

The United States takes its case against Iran to the International Court of Justice at The Hague. Iran is charged with violating the 1961 and 1963 Vienna Convention on diplomatic and consular relations, a 1973 Convention protecting diplomats, the 1955 U.S.-Iran friendship treaty, and the United Nations Charter.

The Washington Post reports that leaders of Saudi Arabia, Kuwait, and the United Arab Emirates have told Treasury Secretary Miller that they want the hostages to be released unharmed, but they oppose any military intervention to free them.

Nov 29 The Students assert that if the Shah is sent to another country "the trial of the hostages will be inevitable."

009523

In connection with the "crimes" of the Shah, Khomeini calls for a trial of President Carter and those of his predecessors having involvement in the matter.

The Government of Mexico announces that the Shah's visa will not be renewed.

Nov 30 Ghotbzadeh announces at a press conference that Iran will not participate in the Security Council debate and that it opposes such a session. He says no date has been set for a spy trial of the hostages. As for Laingen, Victor Thomseth, and Col. Leland Holland, he states they are not being held as hostages and are technically free to leave. He offers to "try to facilitate things," if requested. Iran is not prepared to back down, he emphasizes, and he calls on the United States to do so. Tensions increase as several hundreds of thousands of Iranians in Tehran prepare to mark Ashura, the holiest day in the Shi'ite Islam mourning month of Muharram.

The last non-American hostages are released.

Dec 1 The Iranians holding the hostages distribute purported State Department cables to the press, which prove, they claim, that William Daugherty and Malcolm Kalp are CIA officers serving under diplomatic cover. The militants say that they now consider Laingen, Thomseth, and Holland to be spies. A student spokeman asserts "They, too, will be tried, like the rest." Ghotbzadeh denies he ever said that Laingen and his companions were free to leave.

The Security Council debate on Iran begins.

Dec 2 Voting on the new Islamic constitution begins.

President Carter affords the Shah temporary sanctuary at Lackland Air Force Base Hospital in San Antonio, Texas. In response to the question of whether he will offer the Shah permanent exile, the President replies: "I can't answer that now." Reuters reports threats from the students to start the trials immediately if the Shah leaves the United States for another country.

Ghotbzadeh, when asked by Paris radio reporters for his position on the matter of the hostages, replies: "Listen, the essential problem which we have been faced with since this crisis is that everybody is talking about the problem of the hostages and never about the cause of this affair--the shah and his arrival in the United States." He goes on to say that the U.S. diplomats at the Ministry of Foreign Affairs are "free to wait there." But their safety is assured only so long as they do not depart the Ministry.

The second session of the U.N. Security Council emergency debate on Iran begins Secretary-General Waldheim indicates that he has assurance from Ghotbzadeh that Iran will send a representative to the United Nations. But the Iranian Foreign Minister is quoted in press reports shortly therefter as saying: "I am just sending a man

009530

to manage Iran's U.N. mission. The person will not negotiate and will not be part of the Security Council meeting."

An estimated 2,000 Libyans chanting support for Iran break into the U.S. Embassy in Tripoli, causing the occupants to flee and doing damage within. The United States protests the inadequate and unresponsive nature of the Libyan Government's reaction.

Dec 3 The students holding the Embassy make the following announcement: "With the new evidence and documents which have been discovered, the charge d'affaires of American espionage and two of his companions who are staying at the Ministry of Foreign Affairs are among the chief spies of the embassy and, therefore, they are regarded as hostages of the Iranian nation and should be under complete surveillance so that the Iranian nation can decide on them at the opportune time."

Ghotbzadeh is relieved of his other position as head of Iran's radio and television network.

Department of State Spokesman Hodding Carter states in regard to the Shah: "We are not going to put a man in a rowboat and send him out beyond the Continental Shelf if he has no place to go."

Dec 4 The Security Council calls on Iran to "release immediately" the American hostages and to use the United Nations as a forum for resolving its dispute with the United States. The resolution urges a peaceful solution to the problem and authorizes the Secretary-General to use his good offices to achieve that end. The resolution commands the unanimous support of the Council members. Donald McHenry, the U.S. Ambassador to the United Nations, expresses his hope that Iran will respond positively. He is reported in the Washington Post as reaffirming the U.S. willingness to listen to Iran's grievances.

Iran's Revolutionary Council claims an overwhelming victory for the new constitution, but there is growing evidence that large segments of the population absented themselves from the polls.

Dec 5 The militants holding the hostages dismiss the Security Council resolution as "worthless." The New York Times reports that the President has authorized planning for economic sanctions against Iran if diplomatic moves fail.

Dec 6 Ayatollah Khomeini broadcasts an emergency appeal for national unity following clashes between his supporters and those of Ayatollah Kazem Shariat-Madari in Tabriz, the provincial capital of Azerbaijan.

According to the Washington Post, Ghotbzadeh announces that he and Khomeini view the Security Council resolution as a "step forward." But their satisfaction is limited "because they (the Council) have not condemned the Shah."

009537

Dec 7 A nephew of the Shah, Mustapha Chefik, is shot to death in Paris. Reuters reports that the head of Iran's revolutionary tribunal, Ayatollah Sadegh Khakhali, takes responsibility for the assassination.

President Carter states: "If the hostages are tried we would take steps to interrupt commerce with Iran; this would be action that might restrain, or begin to cause problems for Iran, but wouldn't lead to bloodshed". President Carter further states: I am not going to take any military action that would cause bloodshed or arouse the unstable captors of our hostages to attack them or punish them". The President gives assurance to the relatives of some of the hostages that he would not "initiate any sort of military action that would endanger the people you care for".

The New York Times reports that Ghotbzadeh has raised the possiblity that plans for a spy trial might be announced in a few days. He also supposedly held out the prospect of freedom for those hostages "not directly and consciously involved in espionage" at some future unspecified date. Militants at the Embassy repudiate these remarks, claiming that only "the Moslem people and Imam Khomeini" possess the authority to make such decisions.

Dec 8 According to the New York Times, Ghotbzadeh gives notice in Tehran of Iran's intent to convene an international panel to "review the dossier of crimes by the U.S. Government in Iran" since the 1953 coup that restored the Shah to power. The Foreign Minister states the members would be independent and free personalities from around the world and from Iran.

Speaking to relatives of the hostages, the Under Secretary for Political Affairs, David D. Newsom, indicates the United States is willing to air grievances, but not to return the Shah. Much depends, he states, on whether Iran subjects the hostages to trial. Should that happen, he reveals, the United States will act to halt commerce with Iran.

Dec 9 Violence flares again in Tabriz as supporters of Khomeini and Shariat-Madari do battle for control of the radio-television station.

On the NBC interview program "Meet the Press," Ghotbzadeh describes the intended international panel as a grand jury to sit in judgment of U.S. policy in Iran. It is doubtful, he states, that any hostages would be set free prior to the investigation. While it is likely that most of the hostages will be brought before the panel, the chief focus is U.S. "wrongdoing" in Iran. When asked if Iran respects international law, he refers to alleged U.S. violations of human and international law.

On the CBS interview program "Face the Nations," Zbigniew Brzezinski, the Assistant to the President for National Security Affairs, emphasizes that there are "legitimate forms of seeking redress." He states that if the hostages are further abused "we could hardly afford to sit by as spectators."

000532

Secretary of State Cyrus Vance leaves for Europe to brief leaders there on U.S. plans to apply greater economic pressure on Iran if the hostages are placed on trial.

Dec 10 Attorney General Civiletti asks the International Court of Justice to take "the quickest possible action" to insure the release of the hostages. The United States argues that the Vienna Convention gives the Court jurisdiction in disputes of this kind when the parties cannot resolve matters between themselves. No Iranian representative appears, but Ghotbzadeh sends a telegram denying the jurisdiction of the Court. He describes the hostage problem as secondary compared to the 25 years of continual U.S. interference in the internal affairs of Iran. The Court, he asserts, can not address this matter "divorced from its proper context".

One of the hostages, Marine Corporal William Gallegos is interviewed by NBC-TV.

The New York Times reports that Jody Powell warns Iran that the United States would regard the placing of the hostages before an Iranian-appointed international tribunal with the same gravity as it would view a spy trial. Shariat-Madari is reported in the New York Times to have resisted pressure from Khomeini to dissolve the Muslim People's Party in Azerbaijan.

Dec 11 Shariat-Madari criticizes the Islamic consitution approved in last week's referendum, in which he did not vote.

At a news conference, Ghotbzadeh announces that he will name the members of the international panel in about ten days.

U.S. District Judge Joyce Green rules unconstitutional the Attorney General's November 13 order that all Iranians with student visas report for immigration interviews by December 14 or face possible deportation. The Government files notice of its intention to appeal the decision to the U.S. Court of Appeals.

The New York Times reports that the United States is sounding out its major European allies concerning the imposition of international economic sanctions upon Iran.

Dec 12 The United States orders the expulsion of most Iranian diplomats in the United States in retaliation for the continued detention of the hostages. Department of State Spokesman Tom Reston describes the order as one of a series of "measured steps" intended to influence Iran.

Dec 13 Khomeini is quoted as follows in the New York Times: "It is necessary to form an international investigation team with the consultation of the Revolutionary Council, so that the U.S. Government's aggressor policies in Iran, especially during the rule of the deposed traitor-Shah, be investigated and put before world public opinion, so that the international organizations which

009533

are under U.S. control and have denounced Iran be better informed about the U.S. Government crimes against our nations"

The NATO foreign ministers issue a statement saying that while they have "no desire to intervene in Iran's internal affairs." the taking of hostages is "totally unacceptable and must be firmly opposed by the international community as a whole." Japanese Prime Minister Ohira is reported in the New York Times as responding to strong U.S. criticism by asking oil companies not to exceed the level of imports that prevailed prior to the seizure of the American hostages. Negotiations between a Government delegation and rebellious Kurds end abruptly.

Dec 14 Iranians accuse the United States of instigating the alleged Iraqi invasion.

The Federal Appeals Court permits the continued checking of Iranian visas while the matter is under appeal.

Dec 15 The Shah leaves the United States for Panama. A spokesman for the students holding the hostages states this assures a spy trial.

The International Court of Justice issues a unanimous opinion ordering the release of the hostages. The Court instructs Iran to return the Embassy to U.S. control and urges both sides to avoid actions that might aggravate tensions.

Dec 16 Ghotbzadeh, appearing on ABC's "Issues and Answers," says the hostages will be visited by a delegation of Christian clergy prior to Christmas. He insists on the return of the Shah's wealth to Iran.

Secretary of Defense Harold Brown, appearing of CBS's "Face the Nation," says the United States will pursue non-military moves in seeking the release of the hostages.

Dec 17 A Congressional Research Service Report states that Iran has reduced its imports to the point where it is able to secure from other sources the essential items it previously purchased from the United States. Iran therefore is less vulnerable, the report concludes, to a U.S. trade embargo.

In an interview with Muslim journalists, Khomeini states the students occupying the Embassy express the will of the Iranian people and are not setting a separate foreign policy. He rejects the recent calls from the Security Council and the International Court of Justice for release of the hostages. The Revolutionary Council issues a statement holding the United States responsible for the Shah's crimes and accusing Panama of being an accomplice for affording him refuge. Ghotbzadeh announces that the international board of inquiry will be convened in early January. Former Irish Foreign Minister Sean MacBride and the head of the Paris Bar Association, Louis-Edmond Pettiti, are identified as being under consideration for the panel.

Dec 18 The Dean of the Divinity College of Tehran University and a member of the Revolutionary Council close to Khomeini, Dr. Mohammed Mofateh, is killed by unknown assailants. The Council blames the CIA and SAVAK for the assassination.

Jody Powell, the President's Press Secretary, states that Iran might be subject to punitive measures including military movements if the hostages are subjected to "public exploitation" before an international tribunal. The warning, says the Washington Post is similar to the U.S. statement of November 20 in response to Iranian threats to initiate spy trials.

Ghotbzadeh is reported by the Washington Post as having said that an official U.S. investigation of the alleged crimes of the Shah would be a "very positive step" and could end the crisis. The Foreign Minister seems to be trying to signal Washington on ways to end the impasse, the Post reports.

Dec 19 The New York Times reports that Ambassador McHenry has conveyed a request from U.N. Secretary-General Waldheim to President Carter asking for a delay in U.S. moves to seek economic sanctions against Iran. According to the Times, the Administration agreed so as to permit Waldheim to pursue his "intensive discussions" with the Iranians. However, the United States was reportedly informing its allies of the measures they would be expected to take.

According to the Washington Post, State Department Spokesman Hodding Carter rejected Iranian suggestions that the situation of the hostages might be improved if the United States agreed to conduct an official investigation of the Shah's activities.

The Iranian Ambassador to the Scandinavian nations, Abbas Amir-Entazam is arrested because documents found in the American Embassy at Tehran purportedly show he cooperated with U.S. diplomats in seeking to improve ties between Iran and the United States.

Dec 21 President Carter announces that the United States will ask the U.N. Security Council next week to impose economic sanctions upon Iran under Title VII of the U.N. Charter. He asserts that "concrete action" by the international community is required if there is to be a peaceful resolution of the crisis. He emphasizes that "The world community must support the legal machinery it has established". The President asks Iran to end the crisis by immediately freeing the hostages.

The Export-Import Bank declares Iran in default of more than $245 million in loans.

The students bow to an appeal from Khomeini and agree to allow clergymen to hold Christmas services for the hostages. The State Department welcomes the development.

Disturbances occur in Zahedan, the provincial capital of Baluchistan.

The Kurds reject government proposals for increased regional autonomy.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

7922621

TROY, MALIN & POTTINGER

P800812-1509

PROFESSIONAL CORPORATION
[illegible] 19TH STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE: (202) 828-[illegible]
TELEX: 89-590
CABLE: TROMALAW DC

LOS ANGELES OFFICE
TROY, MALIN & POTTINGER
PROFESSIONAL CORPORATION
1801 CENTURY PARK EAST, [illegible]TH FLOOR
LOS ANGELES, CALIFORNIA 90067
TELEPHONE (213) 553-6441
TELEX: 69-1737*
CABLE: TROMALAW

EUROPEAN OFFICE
BOYNTON M. RAWLINGS
44, AVENUE DES CHAMPS-ÉLYSÉES
75008 PARIS, FRANCE
256.14.00 AND 256.13.69
TELEX: 280023

RONALD P. MALIN *•
JOSEPH T. TROY *•
MAYNARD [illegible] *•
RONALD M. RESSLER *•
RONALD WARNER *•
BOYNTON M. RAWLINGS •
NEIL B. FISCHER •
HERBERT E. SCHWARTZ •
WILLIAM J. PEIL *•
J. STANLEY POTTINGER *•
LEE M. POLSTER •
SANFORD J. HILLSBERG •
WARREN L. DENNIS *•
DEREK W. HUNT •
MICHAEL HOLTZMAN •
SARAH C. CAREY •
PETER M. ALPERT •
CLIFTON B. CATES, III *•
JEFFREY W. KRAMER •
SHELDON A. BERGER •
CATHY D. YOUNGER •
DAVID J. LEWIS •
JAMES F. DONLAN •
ROSALIND M. RAMSEY •
MARK A. MULLER •
CAROLYN A. DYE •
JAMES P. MULREEN •
NATALIE N. V. HOANG •
PETER S. FULLERTON •
CHARLES G. FIELD •

* ADMITTED TO DISTRICT OF COLUMBIA
• ADMITTED TO CALIFORNIA

December 7, 1979

Honorable Warren M. Christopher
Deputy Secretary of State
Department of State
Room 7220
2201 C Street, N.W.
Washington, D.C. 20520

Dear Mr. Deputy Secretary:

As I understand it, Henry Precht has informed you about Dr. Cyrus Hashemi and his willingness to be of assistance in the U. S. hostage matter.

The enclosed memorandum from him sets forth points which he believes are of concern to his government and which might, from Iran's viewpoint, form the basis for settlement discussions. Other than the immediate return of American hostages, he has not attempted to state the United States agenda for such a meeting.

If after reading his memorandum, you believe that his efforts can be helpful, he will come to Washington immediately in order to discuss with you or your designee precisely how he proposes to arrange a negotiation meeting.

At the same time, Dr. Hashemi believes that the many private channels presently being used are somewhat confusing to Iranian deliberations and perhaps are counter-productive to U. S. efforts as well. He therefore wishes you to know that if you have better lines of communication than the ones he offers, or if you believe his proposed efforts are not productive at this time, he will remain dormant in the matter. In short, he is not seeking to be

E15762

App. 0090

an officious intermeddler or a "loose cannon on deck." This is particularly so in light of certain risks he takes to implement his proposal.

Although Dr. Hashemi is in daily contact with several persons at high levels of the Iranian government, please note his disclaimer here to the effect that the enclosed memorandum does not represent official views of the Iranian government.

Call me at any time if I can arrange communications with Dr. Hashemi or be of other assistance (office, 828-1900, home, 229-1324).

Sincerely,

J. Stanley Pottinger

Enclosure

215763

TEXT OF MEMORANDUM FROM DR. CYRUS HASHEMI TO J. STANLEY POTTINGER, DECEMBER 7, 1979:

This is to outline a possible agenda for bilateral discussions toward a resolution of the current Iranian-American impasse over U. S. hostages and the Shah. It is my hope that this memorandum might serve as a vehicle for further communications between the United States and Iran.

Matters to be discussed from Iran's point of view:

1) Accounting. The United States would assist in an accounting of all wealth within the custody or control of the Shah for purposes of determining what may belong to the National Treasury of Iran. The United States would not be responsible for actually conducting such an accounting--nor would Iran wish the United States to undertake this responsibility--but would cooperate with and assist an independent outside mutually agreeable responsible party. U. S. assistance would consist of such matters as helping to obtain access to information contained in U. S. records, including records maintained under the Bank Secrecy Act, reflecting transfers of money from Iranian to U. S. banks on behalf of the Shah's account. The U. S. would also use its best efforts to gain the cooperation of other countries having jurisdiction over disputed assets to assist in the accounting and to take such steps as are indicated to repatriate national treasure. A more detailed definition of the accounting mission, who would perform it, and the specific nature of U. S. assistance would await further discussion.

2) Removal of the Shah. The United States would rapidly find a third-country host for the Shah and facilitate his departure to such a state at the earliest practicable time.

3) Statement of Sympathy. The United States, by an appropriately high level official, would make a statement to the effect that it understands and sympathizes with the concerns voiced by the Iranian people over their treatment by the Shah. (This immediately preceding sentence is meant only to describe the subject generally, not itself define such a statement's form or content.) It is understood that such a statement would not be expected to constitute a mea culpa by the President, but would be more in the vein of Ambassador McHenry's statement of sympathy made to the U. N. Security Council. The statement would refer to the financial problems in Iran posed by the Shah's taking of

015764

assets and incorporate whatever steps are agreed to under the "accounting" provisions (paragraph 1 above).

4) United Nations Commission. The United States would seek through the auspices of the United Nations to establish a forum or commission to hear a host country's allegations against expatriate national leaders and to establish the process by which these allegations are given fair hearing. While such an effort would apply to Iran's present charges against the Shah, the rules and forum established by this effort would be of general applicability, not aimed solely at the current Iranian situation. An alternative approach which focuses specifically upon Iran--and which might also form the basis for a U. N. Commission--is set forth on Exhibit A.

5) Lifting Freeze and Bank Cooperation. The United States would lift the freeze of Iranian assets and help insure that American banks return to normal commercial relations with Iranian business interests.

6) Spare Parts. The United States would resume furnishing military spare parts pursuant to pre-existing agreements and programs. The post settlement, self-defense of Iran is highly dependent upon such a program.

Matters to be discussed from the United States' point of view:

1) Return of the Hostages. The safe and immediate return of the hostages would be the primary agenda item of the U. S. What other matters may be raised by the United States are not known to me, so are not presented here. For example, the United States may insist before any meeting take place that mutually agreeable representatives visit the hostages in order to insure that their health and safety are satisfactory. In this regard, you have agreed, if asked, to consider serving as a member of a monitoring team. (I believe your civil rights background and acceptability to both sides make this appropriate.)

This memorandum does not deal with the critical issue of the timing of steps to be taken in relation to each other, particularly the relationship between the release of the hostages and the implementation of other agreed steps. It does not deal with the possibility of severance of diplomatic relations and declaring hostages personae non grata, nor does it deal with the extent to which agreed-upon steps would be undertaken unilaterally, bilaterally, or through the United Nations.

C15765

You are authorized to submit this draft memorandum to appropriate U. S. officials for their consideration. If there is an indication that these points, and such others as may be suggested, are within the realm of discussion, I will recommend and help create a meeting between U. S. and Iranian officials. From the Iranian side, this would include the approval of Qom. If this goes forward, I believe London or the United Nations to be the best location, but am equally willing to arrange such a meeting in Tehran.

Please advise.

Declassified

EXHIBIT A

The following is an outline of the idea we discussed for an international, quasi-judicial tribunal to hear and act upon Iran's allegations against the Shah:

1. Iran and the United States would negotiate and jointly agree on the charter of an International Investigative Commission ("the Commission"). The charter would be submitted to the Security Council of the United Nations for a resolution of approval. One-third of the members of the Commission would be appointed by the United States; one-third by Iran; and one-third by the United Nations. The members of the Commission would be international jurists or statesmen from countries other than Iran or the United States who are generally recognized in the international community as persons of the highest integrity, objectivity, and experience and ability in the fields of international affairs and law.

2. The Commission would appoint such independant counsel as it deems appropriate for the purpose of assisting in all phases of the Commission's work. The United States, Iran, the Shah, and any other major interested parties would

C15767

App. 0095

each appoint their own counsel as well to represent their interests in the Commission's proceedings.

3. The Commission would appoint independant auditors and investigators to assist in its investigation and review of the facts in question.

4. Counsel for Iran would submit a statement of the allegations against the Shah, together with supporting briefs.

5. The Commission would "review the allegations and evidence and launch a careful investigation of the possibilities performed with an eye eager to discern them rather than shut against them." (See page 153 of the enclosed book.) The Commission would be empowered (by its charter and, if necessary, by appropriate legislation in the United States or elsewhere) to initiate and conduct a full scale investigation both within and outside the United States.

6. In addition, the parties would engage in discovery of facts by obtaining and submitting to the Commission documentary evidence, by taking depositions of witnesses, by interrogatories, and by other appropriate means. The Commission could, by legislation in the United States and possibly elsewhere, be given subpoena power.

7. The Commission would hold open hearings to review the evidence, hear witnesses, hear arguments on legal questions, and otherwise conduct its proceedings. The Commission would provide due process to all parties concerned.

8. The Commission would provide opportunities for the parties to submit briefs on the issues of fact and law and may request its own counsel to render advisory legal opinions on questions appropriate for this procedure.

9. Upon completion of its review of the allegations, facts and law, the Commission would publically issue a report setting forth its determination and findings on each of the allegations and issues, and recommending the actions, if any, which should be taken by the parties in view of the Commission's findings and determinations.

10. Thereafter, by agreement of the United States and Iran, the Commission would be empowered to pursue such remedies as it deems appropriate in the courts of the United States, in courts of other countries of appropriate jurisdiction, and in the international courts.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

MEMORANDUM FOR THE RECORD

(IRAN WORKING GROUP)

DATE: December 27, 1979

TIME:

PARTICIPANTS:

SUBJECT: Law Suit Against Cyrus Hashemi

Mr. George Lorinczi of the law firm Strook, Strook & Lavan told me that his firm was representing the Bank du Liban which was sueing Hashemi for over $1 million. It seems that Hashemi was accused of participating in a complex fraud involving some securities. Hashemi made a plea with the judge for a postponement for the trial set in December, claiming that he was a member of the Revolutionary Council authorized to negotiate on behalf of Iran for release of the hostages. He produced a confidential letter from the Iranian Embassy or consulate. Mr. Lorinczi did not see the letter and he said that the judge expressed some doubt about its authenticity. Nevertheless, the judge said, he would do nothing that would put the hostages in a bad way and allowed Mr. Hashemi a two-month postponement of the hearing.

I asked Mr. Lorinczi if Hashemi were on trial himself or whether the Iranian government was accused in the suit. He said that Hashemi was personally accused.

Drafted:NEA

C15892

App. 0135

CONFIDENTIAL

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

Carter Library
Soft Copy

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

URGENT INFORMATION

March 31, 1980

MEMORANDUM FOR: DAVID AARON

FROM: LEN LEFKOW

SUBJECT: Embargoed Statement by Khomeini

AFP's White House Correspondent informs us that they have been given a four-page statement by Khomeini for release at midnight our time in which Khomeini totally rejects any transfer of the hostages to government control.

In effect, the statement says the President's "apologies" will not change anything and that the hostage question will be put to the Iranian parliament. Khomeini is quoted as saying he rejects absolutely the President's so-called "honorable" solution.

Electrostatic Copy Made
for Preservation Purposes

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

SI D 154 [illegible]

UNCLASSIFIED

OPERATIONS CENTER

IRAN WORKING GROUP

Sitrep No. 433

Situation in Iran as of 0500 EDT, September 13, 1980

Khomeini Sets Conditions for Release of the Hostages

Ayatollah Khomeini, in a message issued to mark the annual Moslem pilgrimage to Mecca, and broadcast by state radio, set unexpectedly moderate terms for the release of the hostages. If the United States were to: (a) return to Iran the property of the late Shah; (b) cancel all of its financial claims against Iran; (c) promise not to intervene politically or militarily in Iran; and, (d) unblock the frozen Iranian assets, the hostages could be released. Significantly, the statement made no mention of trials, nor did it include a requirement for an apology from the United States.

But, Khomeini said he had "asked the Majlis to go through this case and act in any way that they consider will be in the interest of the nation." Radical elements in the Majlis and the radical students holding the hostages have indicated that further conditions might be added to those enumerated by the Ayatollah.

Resolution by UN Subcommission

The United Nations Subcommission on the Prevention of Discrimination and the Protection of Minorities has called on Iran to release the hostages on grounds of mercy and compassion. Iran's obligations under international law, the principles of Islam and basic humanitarian principles were cited as grounds for release. The subcommission is composed of experts serving in their individual capacities, not as representatives of their governments. It meets three or four weeks of each year to review allegations of human rights violations received by the Secretary General of the United Nations.

Border Fighting

Fighting continued along the Iran/Iraq border, with clashes both in the Mehran area and further south. Iranian state radio claimed that Iranian forces had set fire to the Iraqi border town of Zorbatiyeh. The vicinity of Khorramshahr was the scene of a heavy artillery exchange which left one Iranian soldier dead and five others wounded.

010706

UNCLASSIFIED

App. 0243

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

81D336
12385

CARswell TReasurY Files "H"

Message received in Bonn from Ambassador Ritzel, October 10, 1980 quote:

1.- The traveller has asked me if the US could provide a list of the orders for goods, and their value, which the Government of Iran has placed in the United States but which have not yet been delivered to Iran. close quote.

5
1.8-1.9

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

HHS

10.17

Chris - In response to several of your questions to Gary Sick, he has supplied the following information:

-- The F-4 spare parts are at five different locations in the US. Most of them are at Ogden, Utah, near Hill AFB.

-- Using a meximum lift, and with 48 hours advance notice, the bulk of the spares could be shipped within one week.

-- USAF would charge $6 million to airlift the spares to Germany, $11 million to Karachi.

-- There is very little in the spares package in the way of radar spare parts. If we wanted to be forthcoming on spares for radars, it would involve new sales, not pipeline material.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

THIS PAGE INTENTIONALLY BLANK

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

11/2/80

```
                                   JP 2F 81 131737   PRINTER: II
ZK STATE ** 0417
                                  ** CLASSIFIED
UNCLASSIFIED
PAGE 01         STATE  292916
ORIGIN NEA-07
INFO  OCT-02  AIS-02  SIG-03  MMO-01  CIAE-00  NSAE-00
      SSO-00  ICAE-00  INRE-00  PM-07  H-02  INR-10  L-03
      PA-02  SP-02  SS-15  IO-15  EA-06  ANAE-00  SY-05 *
      STE-00  ED-08  TRSR-00  /086 R


                 ----------------027629  021252Z /11
O 021130Z NOV 80 ZFF
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS IMMEDIATE
USINT BAGHDAD 1     ATE
 CINCPAC HONOLULU HAWAII IMMEDIATE 0655
USCINCEUR VAIHINGEN GE IMMEDIATE
CINCUSAREUR HEIDELBERG GE IMMEDIATE
COMIDEASTFOR IMMEDIATE
COMIDEASTFOR IMMEDIATE
CINCLSAFE RAMSTEIN GE IMMEDIATE
CINCUSNAVEUR LONDON IMMEDIATE
 SECDEF WASHDC IMMEDIATE 0662
DEPARTMENT OF COMMERCE WASHDC IMMEDIATE
CTG 70.1 IMMEDIATE
CTG 72.5 IMMEDIATE
FOSIT WESTPAC YAMISEYA JA IMMEDIATE
COMSEVENTHFLT IMMEDIATE
CINCPACFLT IMMEDIATE
CINCLANT NORFOLK IMMEDIATE
USSS IMMEDIATE
USNMR SHAPE IMMEDIATE
USLO RIYADH IMMEDIATE
 WHITE HOUSE IMMEDIATE 5762
CTF 72 IMMEDIATE
DEPARTMENT OF JUSTICE/SSC WASEDC IMMEDIATE
CTG 72.9 IMMEDIATE
UNCLASSIFIED
UNCLASSIFIED
PAGE 02         STATE  292916
XMT AMCONSUL KARACHI
AMCONSUL LAHORE
AMCONSUL PESHAWAR
UNCLAS STATE 292916
INFORM CONSULS  USNMR FOR POLAD  USDOC FOR CAGNE
E.O. 12065:N/A
TAGS:PINS, IR
SUBJECT:IRAN SITREP NO. 493
1. SITUATION IN IRAN AS OF 0522 EST, NOVEMBER 2, 1980
2. (UNCLASSIFIED - ENTIRE TEXT)
3. PARLIAMENT APPROVES HOSTAGE RELEASE CONDITIONS
              UNCLASSIFIED
```

BEST AVAILABLE COPY

App. 0316

THE PARLIAMENTARY COMMISSION STUDYING THE HOSTAGE QUESTION TODAY RECOMMENDED WHAT PRESS REPORTS INTERPRET AS A BASICALLY UNCHANGED VERSION OF AYATOLLAH KHOMEINI'S FOUR CONDITIONS FOR RELEASING THE HOSTAGES. ALTHOUGH NO FORMAL TEXT HAS YET BEEN MADE AVAILABLE, REPORTEDLY THE COMMISSION'S ELABORATION OF THESE CONDITIONS WHICH KHOMEINI LAID DOWN ON SEPTEMBER 12 CAME IN THE SECTION ON THE SHAH'S WEALTH.- THEY SPOKE OF RETURNING THE SHAH'S PROPERTY AND RECOGNIZING MEASURES BY THE IRANIAN GOVERNMENT TO EXERCISE ITS SOVEREIGNTY TO EXPROPRIATE THE LATE SHAH'S ASSETS AND THOSE OF HIS CLOSE RELATIVES WHOSE PROPERTY BELONGS TO IRAN. ON LEGAL CLAIMS, THE COMMISSION REPORTEDLY CALLED FOR THE DROPPING OF ALL ECONOMIC AND FINANCIAL "DECISIONS" AGAINST IRAN, AND
UNCLASSIFIED
UNCLASSIFIED
PAGE 03 STATE 282916
THE IMPLEMENTATION OF ALL LEGAL AND ADMINISTRATIVE MEASURES FOR THE CANCELLATION OF ALL CLAIMS AGAINST IRAN BY THE U.S. GOVERNMENT AND AMERICAN COMPANIES. THE REPORT ALSO SAID WASHINGTON SHOULD "GUARANTEE NOT TO INTERVENE EITHER MILITARILY OR POLITICALLY IN IRAN'S AFFAIRS, EITHER DIRECTLY OR INDIRECTLY." THE COMMISSION ALSO RECOMMENDED THAT THE HOSTAGES NOT BE FREED AT ONCE, EVEN IF THE U.S. IMMEDIATELY ACCEPTS THE CONDITIONS SET FOR THEIR RELEASE, ACCORDING TO REPORTS. THE COMMISSION RECOMMENDED THAT HOSTAGES BE RELEASED IN GROUPS AS THE CONDITIONS ARE MET. THE COMMISSION OFFERED ITS RECOMMENDATION AFTER THE MAJLIS WAS FORCED TO TAKE A 45-MINUTE BREAK WHEN THE SESSION BEGAN IN A HEATED DEBATE AMONG DEPUTIES. THE RECESS WAS NECESSITATED AFTER ISLAMIC JUDGE AYATOLLAH KHALKHALI WAS ACCUSED OF SAYING THAT IRAN FAVORED TRADING THE HOSTAGES FOR U.S MILITARY SPARE PARTS. KHALKHALI DEFENDED HIMSELF, SAYING THAT THIS WAS THE BEST TIME TO WRING CONCESSIONS FROM WASHINGTON, WITH THE ELECTION ONLY TWO DAYS AWAY.
THE MAJLIS APPROVED THE CONDITIONS WITHOUT AMENDMENT ON A STAND-UP VOTE WITH NO FORMAL COUNT TAKEN.
4. NOVEMBER 4 DEMONSTRATION PLANNED AT EMBASSY COMPOUND
THE IRANIAN PUBLIC WILL BE ABLE TO GO INSIDE THE EMBASSY COMPOUND ON NOVEMBER 4 TO ATTEND A "CEREMONY" TO BE HELD AT THE END OF A MAJOR NATION-WIDE DEMONSTRATION TO MARK THE FIRST YEAR OF CAPTIVITY OF THE HOSTAGES AND ALSO THE EXILING OF THE AYATOLLAH KHOMEINI IN THE MID-SIXTIES. "EVERYBODY CAN ENTER," A SPOKESMAN FOR THE MILITANT STUDENTS TOLD AFP ON NOVEMBER 1. HE ADDED: "THE HOSTAGES ARE NOT ON THE PROGRAM."
MINIMIZE CONSIDERED. MUSKIE
UNCLASSIFIED

211274

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

81 D 154 19430 UNCLASSIFIED

OPERATIONS CENTER

IRAN WORKING GROUP

SITREP NO. 492

Situation in Iran as of 0500 EST, November 11, 1980

Christopher Mission To Algeria

Deputy Secretary Warren Christopher arrived in Algiers November 10 carrying with him the U.S. response to Iran's terms for freeing the U.S. hostages. It is expected that the response will be given to Algerian Foreign Minister Mohamed Banyahia for transmittal to Iranian officials in Tehran. No U.S.-Iranian negotiations are expected.

Bani-Sadr on the Hostages and The War with Iraq

Iranian President Bani-Sadr was quoted by Tehran radio November 10 as saying an early solution to the hostage question would help Iran in its seven-week-old war with Iraq. Bani-Sadr explained this was because Iran could make use of its assets frozen in the U.S. as well as American military supplies that Iran has paid for but whose delivery has been blocked by Washington until the hostages are released. But the President, who was speaking at a news conference in Dezful, scene of periodic Iraqi attacks, conceded that the hostage issue could take a long time to resolve. He said: "If the (hostages) matter drags on, it (the release of Iranian assets and military equipment) will not have much effect."

On the possibility of a negotiated settlement of the war with Iraq, Bani-Sadr stated: "The very acceptance of negotiations under duress and military aggression is, in my view, an anti-revolutionary act and a complete negation of our revolution." He added that the United States, which Iran has accused repeatedly of backing Iraq, had played a "very active role" in the war and that the Americans were the main beneficiaries of the conflict.

Rafsanjani Reiterates Hostages May Be Tried

Speaking at his weekly press conference on November 10, Parliament President Rafsanjani again threatened that the 52 hostages will be put on trial if the U.S. does not give Iran what he believes rightfully belongs to it. "We will keep the hostages for as long as our rights are not accepted and if it becomes evident that the United States does not want to give us what is rightfully ours, they (the hostages) will be tried," he said. Asked about the government's position on a U.S. response to the Majlis' hostage release conditions, Rafsanjani replied: "It is now the turn of America. They should not expect any move from us."

App. 0326

UNCLASSIFIED

In a brief interview with Tehran radio, Rafsanjani stated that he was unaware of any U.S. response to Iranian release demands, and added: "We do not want a reply, either. We have declared our conditions. Now they (the U.S.) should take action and meet our conditions as we have demanded so that they can have the hostages." There was no reference to hostage trials in his radio interview.

Ghotbzadeh Reportedly Released

Reuter reports former Foreign Minister Sadeq Ghotbzadeh was released from Tehran's Evin Prison on November 10 on the personal orders of revolutionary leader Ayatollah Khomeini. The reported release came shortly after Ahmad Khomeini, clergyman son of the Ayatollah, met with Ghotbzadeh at Evin. According to reports, no charges were brought again the former Minister.

Ghotbzadeh, a fierce opponent of Iran's dominant Islamic Republican Party (IRP) was detained on November 7 after he publically criticized the role of the pro-IRP Islamic fundamentalists in Iran's "Voice and Vision of the Islamic Republic" radio and television service. His arrest touched off a wave of protests, including two days of demonstration in the holy city of Qom, normally regarded as a stronghold of the IRP. Iranian newspaper reports said 300,000 "bazaaris"--merchants and workers in Tehran's bazaar district--had signed a petition demanding that Ghotbzadeh be freed. They were joined by Ayatollah Morteza Passandideh, brother of Ayatollah Khomeini, in a statement addressed to Parliament, in which the IRP has the largest block of seats.

Majlis To Consider Bill To End Arguments Over Cabinet Appointments

As wrangling continues over the long-delayed appointment of a Foreign Minister, Parliament President Rafsanjani announced on November 10 that the Majlis is set to consider a bill aimed at forestalling future disagreements between President Bani-Sadr and Prime Minister Rajai on the choice of cabinet ministers. (There are no details available on the bill's content). Prime Minister Rajai has said that he proposed six candidates for the Foreign Ministry portfolio last week but that President Bani-Sadr vetoed each of them. "We are waiting for him to accept one of the six," Rafsanjani told reporters.

The Rajai Government has had no Foreign Minister since coming to power more than two months ago, Bani-Sadr having used his presidential powers to run down all the Prime Minister's candidates. Vacancies also exist in the top positions at the Economics and Finance, Commerce and Education Ministries.

Tehran Airport Re-Opened

Iran Air resumed scheduled domestic flights from Tehran's Mehrabad International Airport on November 10 for the first time since the start of the war with Iraq. Mehrabad, attacked by Iraqi jets on September 22, has been closed since then except for a few special chartered flights. Airport officials told Reuter that so far only two domestic flights daily have been scheduled, both to cities in the eastern half of the country far from the war zone. They said no date has been set for resuming international flights.

LEE H. HAMILTON, INDIANA
CHAIRMAN

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
CHIEF COUNSEL

HENRY J. HYDE, ILLINOIS
RANKING MINORITY MEMBER

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
CHIEF MINORITY COUNSEL

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives

Washington, DC 20515

November 17, 1992

Mr. Martin Kilian
Der Spiegel
Room 1202
National Press Building
Washington, D.C. 20045

Dear Mr. Kilian:

This is to request your assistance in connection with the congressional investigation that we have been conducting over the past eight months.

As you know, on February 5, 1992, the U.S. House of Representatives passed House Resolution 258, creating a Task Force to Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980 ("October Surprise Task Force"). Since then, the Task Force has interviewed scores of witnesses and reviewed thousands of documents in an effort to reach conclusions regarding the allegations under investigation and the credibility of those who have made them.

It is a matter of public record that you have spoken with several individuals who claim to have knowledge of the matters under investigation. To assist us in evaluating the credibility of these individuals, it would be extremely helpful if you would meet with the staff of the Task Force at a mutually convenient time and place, and discuss the contents of your interview(s) with these individuals. For obvious reasons, we would prefer the interview with you to be on the record, as our interviews with witnesses who claim to have knowledge about the matters under investigation have been done in that manner.

Please understand that this request is strictly to help us to assess the credibility of the individuals referenced above, and not for any other purpose.

App. 0329

Please contact Chief Counsel Lawrence Barcella or Chief Minority Counsel Richard Leon as soon as possible regarding your willingness to meet with the Task Force staff. You may reach them at the Task Force office at (202) 226-2000.

Sincerely,

Lee H. Hamilton
Chairman

Henry J. Hyde
Ranking Member

cc: E. Lawrence Barcella, Jr.
Richard J. Leon

LEE H. HAMILTON, INDIANA
CHAIRMAN

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
CHIEF COUNSEL

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives

Washington, DC 20515

HENRY J. HYDE, ILLINOIS
RANKING MINORITY MEMBER

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
CHIEF MINORITY COUNSEL

November 17, 1992

Mr. Robert Parry
"Frontline"
C/O WGBH-TV
125 Western Ave.
Boston, MA 02134

Dear Mr. Parry:

This is to request your assistance in connection with the congressional investigation that we have been conducting over the past eight months.

As you know, on February 5, 1992, the U.S. House of Representatives passed House Resolution 258, creating a Task Force to Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980 ("October Surprise Task Force"). Since then, the Task Force has interviewed scores of witnesses and reviewed thousands of documents in an effort to reach conclusions regarding the allegations under investigation and the credibility of those who have made them.

It is a matter of public record that you have spoken with several individuals who claim to have knowledge of the matters under investigation. To assist us in evaluating the credibility of these individuals, it would be extremely helpful if you would meet with the staff of the Task Force at a mutually convenient time and place, and discuss the contents of your interview(s) with these individuals. For obvious reasons, we would prefer the interview with you to be on the record, as our interviews with witnesses who claim to have knowledge about the matters under investigation have been done in that manner.

Please understand that this request is strictly to help us to assess the credibility of the individuals referenced above, and not for any other purpose.

App. 0331

Please contact Chief Counsel Lawrence Barcella or Chief Minority Counsel Richard Leon as soon as possible regarding your willingness to meet with the Task Force staff. You may reach them at the Task Force office at (202) 226-2000.

Sincerely,

Lee H. Hamilton
Chairman

Henry J. Hyde
Ranking Member

cc: E. Lawrence Barcella, Jr.
Richard J. Leon

LEE H. HAMILTON, INDIANA
Chairman

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
Chief Counsel

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives

Washington, DC 20515

HENRY J. HYDE, ILLINOIS
Ranking Minority Member

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
Chief Minority Counsel

November 17, 1992

Mr. Robert Ross
"Frontline"
C/O WGBH-TV
125 Western Ave.
Boston, MA 02134

Dear Mr. Ross:

This is to request your assistance in connection with the congressional investigation that we have been conducting over the past eight months.

As you know, on February 5, 1992, the U.S. House of Representatives passed House Resolution 258, creating a Task Force to Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980 ("October Surprise Task Force"). Since then, the Task Force has interviewed scores of witnesses and reviewed thousands of documents in an effort to reach conclusions regarding the allegations under investigation and the credibility of those who have made them.

It is a matter of public record that you have spoken with several individuals who claim to have knowledge of the matters under investigation. To assist us in evaluating the credibility of these individuals, it would be extremely helpful if you would meet with the staff of the Task Force at a mutually convenient time and place, and discuss the contents of your interview(s) with these individuals. For obvious reasons, we would prefer the interview with you to be on the record, as our interviews with witnesses who claim to have knowledge about the matters under investigation have been done in that manner.

Please understand that this request is strictly to help us to assess the credibility of the individuals referenced above, and not for any other purpose.

App. 0333

Please contact Chief Counsel Lawrence Barcella or Chief Minority Counsel Richard Leon as soon as possible regarding your willingness to meet with the Task Force staff. You may reach them at the Task Force office at (202) 226-2000.

Sincerely,

Lee H. Hamilton
Chairman

Henry J. Hyde
Ranking Member

cc: E. Lawrence Barcella, Jr.
Richard J. Leon

LEE H. HAMILTON, INDIANA
CHAIRMAN

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
CHIEF COUNSEL

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives

Washington, DC 20515

HENRY J. HYDE, ILLINOIS
RANKING MINORITY MEMBER

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
CHIEF MINORITY COUNSEL

November 17, 1992

Ms. Tara Sonenshine
ABC-TV "Nightline"
1717 DeSales St., N.W.
Washington, D.C. 20036

Dear Ms. Sonenshine:

This is to request your assistance in connection with the congressional investigation that we have been conducting over the past eight months.

As you know, on February 5, 1992, the U.S. House of Representatives passed House Resolution 258, creating a Task Force to Investigate Certain Allegations Concerning the Holding of American Hostages by Iran in 1980 ("October Surprise Task Force"). Since then, the Task Force has interviewed scores of witnesses and reviewed thousands of documents in an effort to reach conclusions regarding the allegations under investigation and the credibility of those who have made them.

As a result of a broadcast on June 20, 1991, by ABC News "Nightline," and the publication of an article under your name in the Financial Times on June 21, 1991, it is a matter of public record that you have spoken with Mr. Jamshid Hashemi regarding these allegations. To assist us in evaluating Mr. Hashemi's credibility, it would be extremely helpful if you would meet with the staff of the Task Force at a mutually convenient time and place, and discuss the contents of your interview(s) with Mr. Hashemi. For obvious reasons, we would prefer the interview with you to be on the record, as our interview with Mr. Hashemi was done in that manner.

Please understand that this request is strictly to help us to assess Mr. Hashemi's credibility, and not for any other purpose.

App. 0335

Please contact Chief Counsel Lawrence Barcella or Chief Minority Counsel Richard Leon as soon as possible regarding your willingness to meet with the Task Force staff. You may reach them at the Task Force office at (202) 226-2000.

Sincerely,

Lee H. Hamilton
Chairman

Henry J. Hyde
Ranking Member

cc: E. Lawrence Barcella, Jr.
Richard J. Leon

An open letter to the United States Congress from former American Hostages in Iran

13 June 1991

Dear Members,

The Iran Hostage crisis of 1979-1981 was a very trying time for our nation. The people and government of the United States were shocked and angered as the Iranian revolutionary forces attempted to use the U.S. Embassy hostages as political pawns. Efforts to gain freedom for those who were held proved frustrating and difficult. After 444 days of captivity, the hostages were returned, but the impact continues to affect us.

For the last ten years there have been rumors, reports and allegations of foul play in the 1980 presidential election. The thought that any American, whether a private citizen or government official, may have participated in delaying release of the hostages for political gain is distressing. Until recently, these allegations have been dismissed as unsubstantiated. But substantial enough information has been presented by respected and persistent investigators to warrant a thorough examination of this matter.

It is not appropriate to say there is insufficient proof -- until there has been an official investigation. The question of whether there is evidence of any wrongdoing must be answered by an unbiased, bipartisan congressional investigation with full subpoena power. Unless this happens, speculation and unanswered questions will erode public confidence in our electoral system.

Respectfully,

Charles W. Scott

David M. Roeder

Barry Rosen

Robert C. Ode

Moorhead Kennedy

Kevin J. Hermening

Jerry Plotkin

Donald R. Hohman

App. 0337

AN OPEN LETTER TO CONGRESSMEN THOMAS FOLEY AND ROBERT MICHEL AND SENATORS GEORGE MITCHELL AND ROBERT DOLE FROM FORMER AMERICAN HOSTAGES IN IRAN

29 January 1992

Dear Sirs,

As the last American hostages return from the Middle East, questions regrettably still linger concerning allegations of foul play in the 1980 presidential election. These questions can only be settled finally by the United States Congress.

We therefore support the efforts of Congress to conduct a "thorough and fair inquiry" into allegations that our release may have been delayed by political partisans.

Threats of filibuster, attempts to vilify those who have done preliminary research, and reluctance to grant funds and power to the committees conducting these investigations appear as transparent attempts to turn from the necessary task of finding the truth, whatever that may be.

It is unacceptable to delay the investigation any longer because of political squabbling or premature judgements about the veracity of the allegations.

Although we sincerely hope the allegations can be proved false, the decision to move ahead can not be based on what we anticipate the outcome to be. We urge you - the leaders of Congress - to move this investigation forward and insure that dignity, rather than fear, will guide this process to a just conclusion.

Respectfully,

Bruce Laingen | Moorehead Kennedy | Charles W. Scott

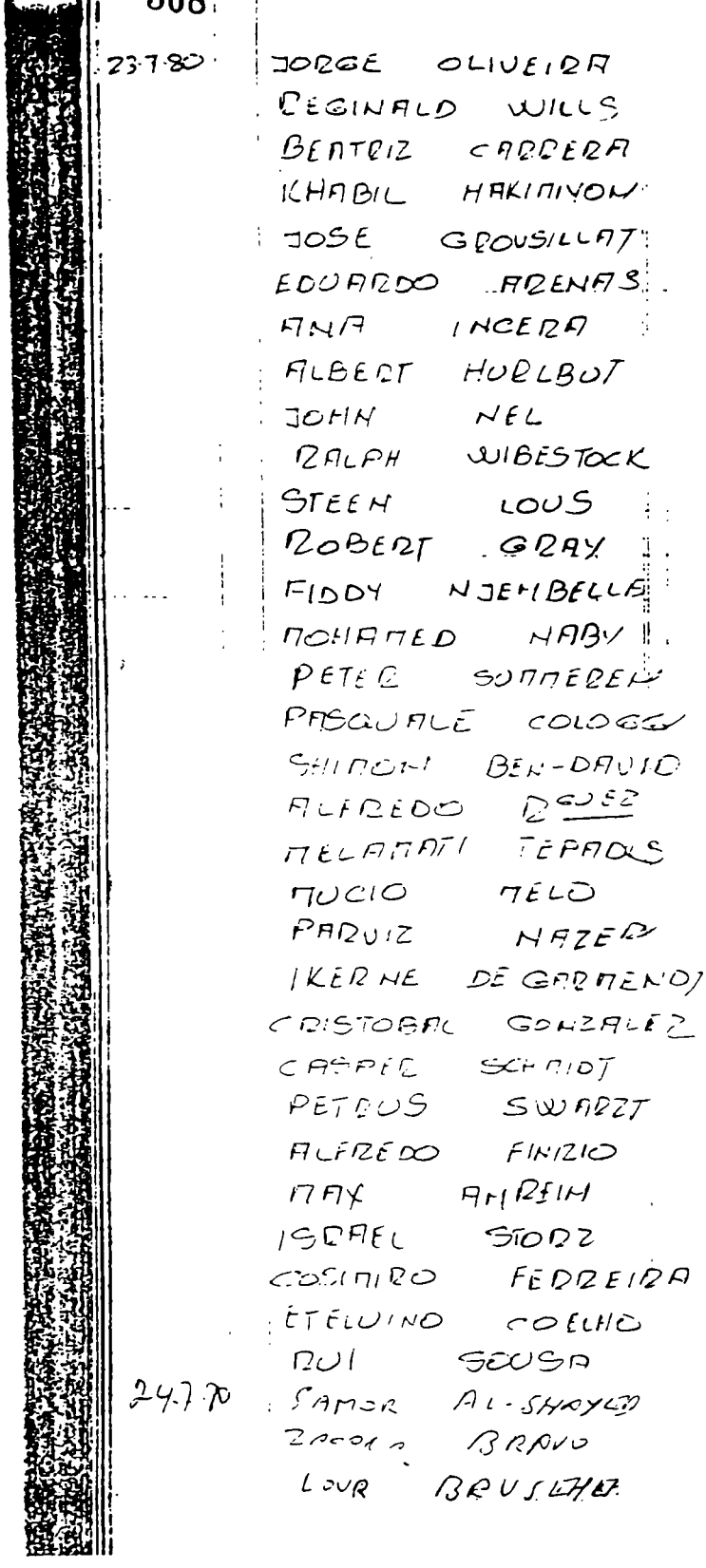
William E. Belk | Kevin Hermening | Donald R. Hohman

Robert C. Ode | David M. Roeder | Barry Rosen

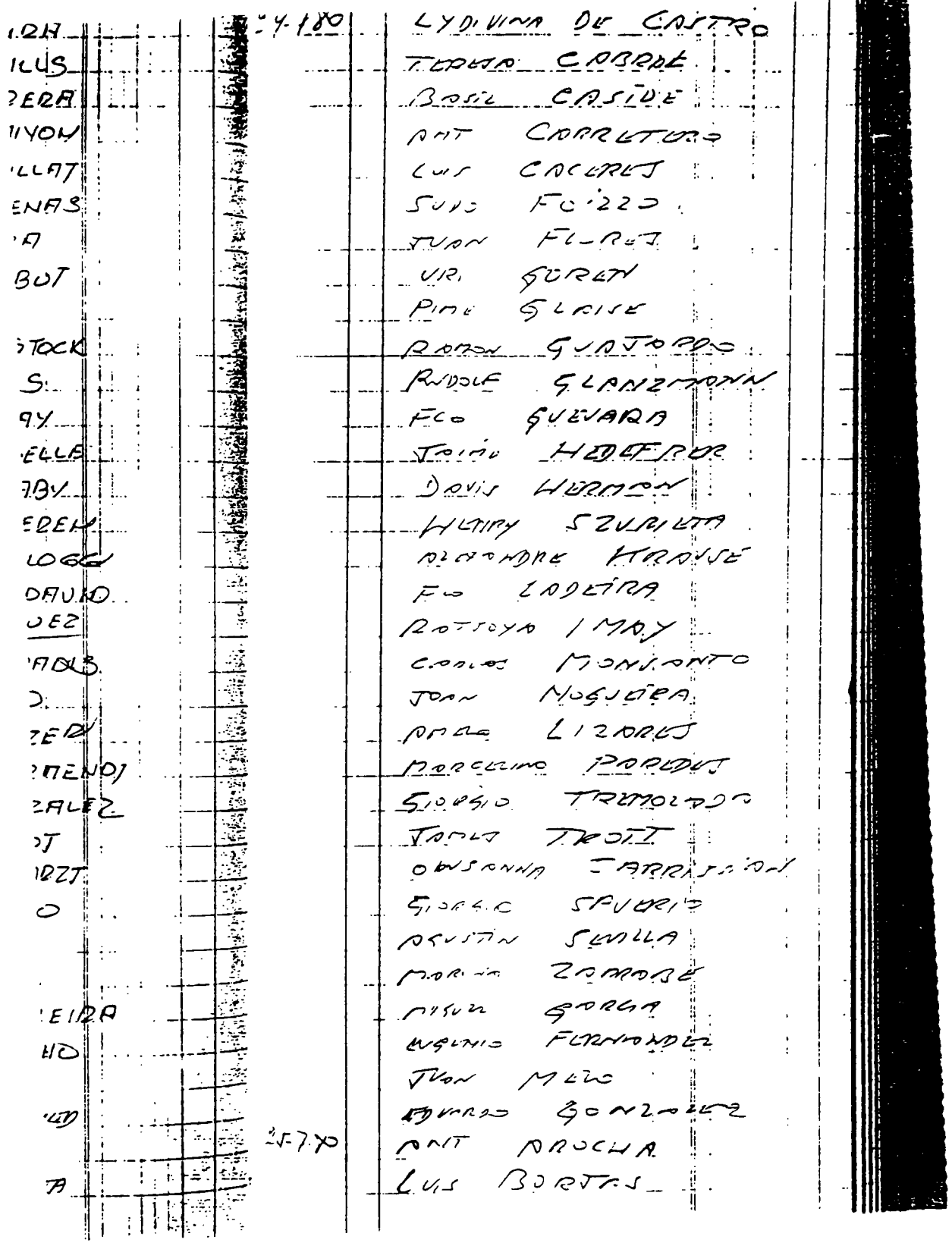
Philip R. Ward | Jerry Plotkin | Richard Queen

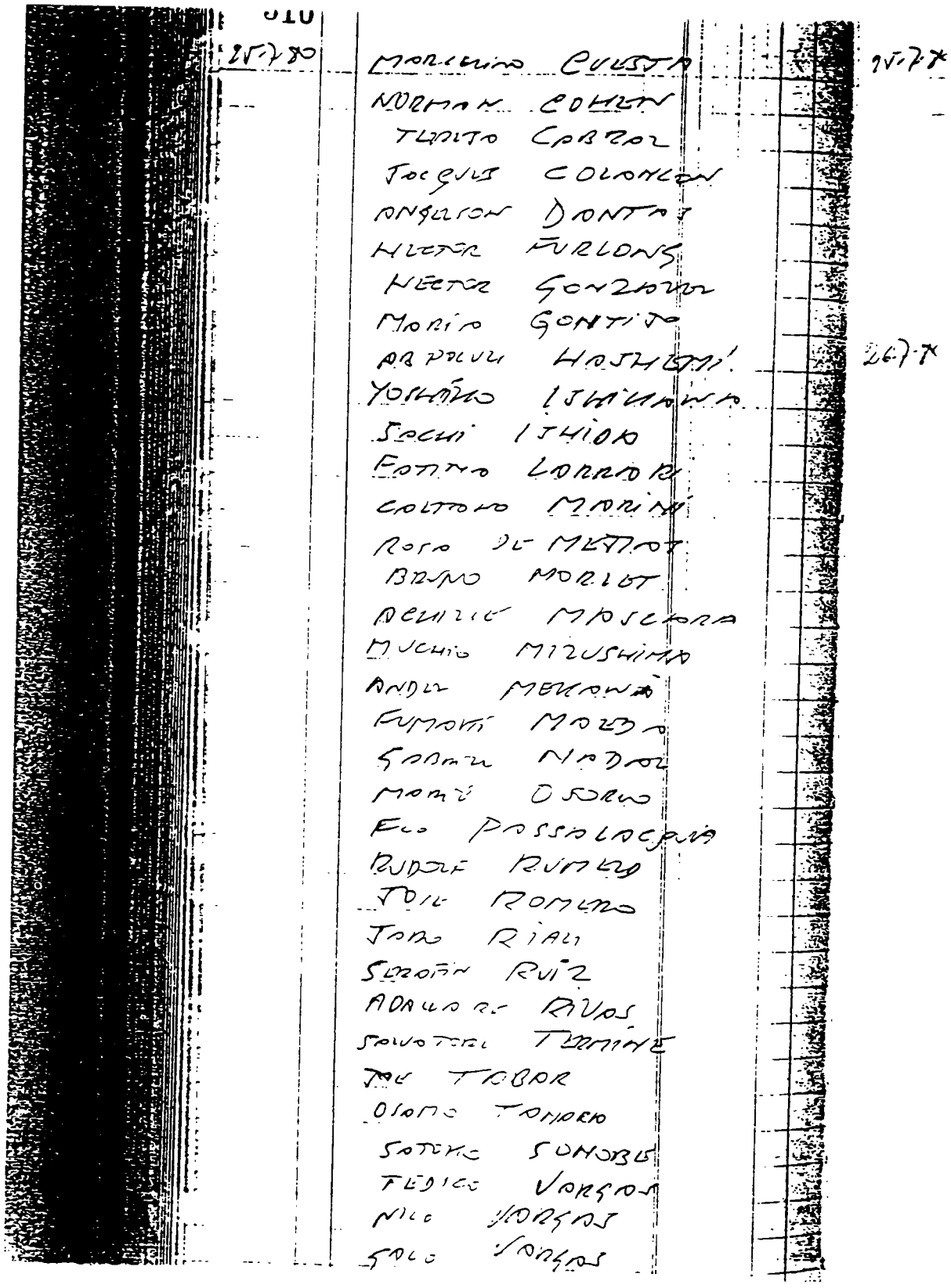
App. 0338

[illegible] P.02

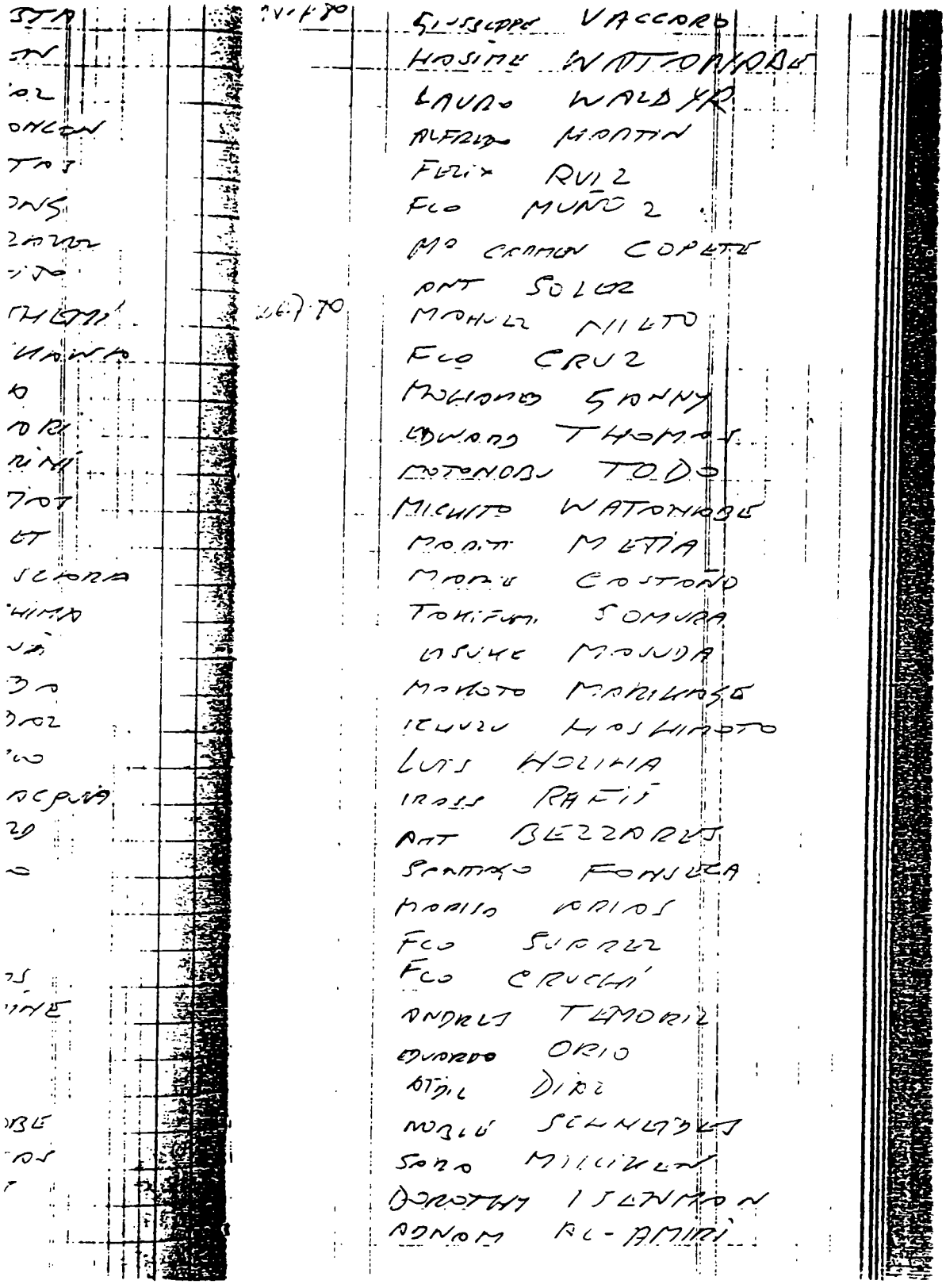


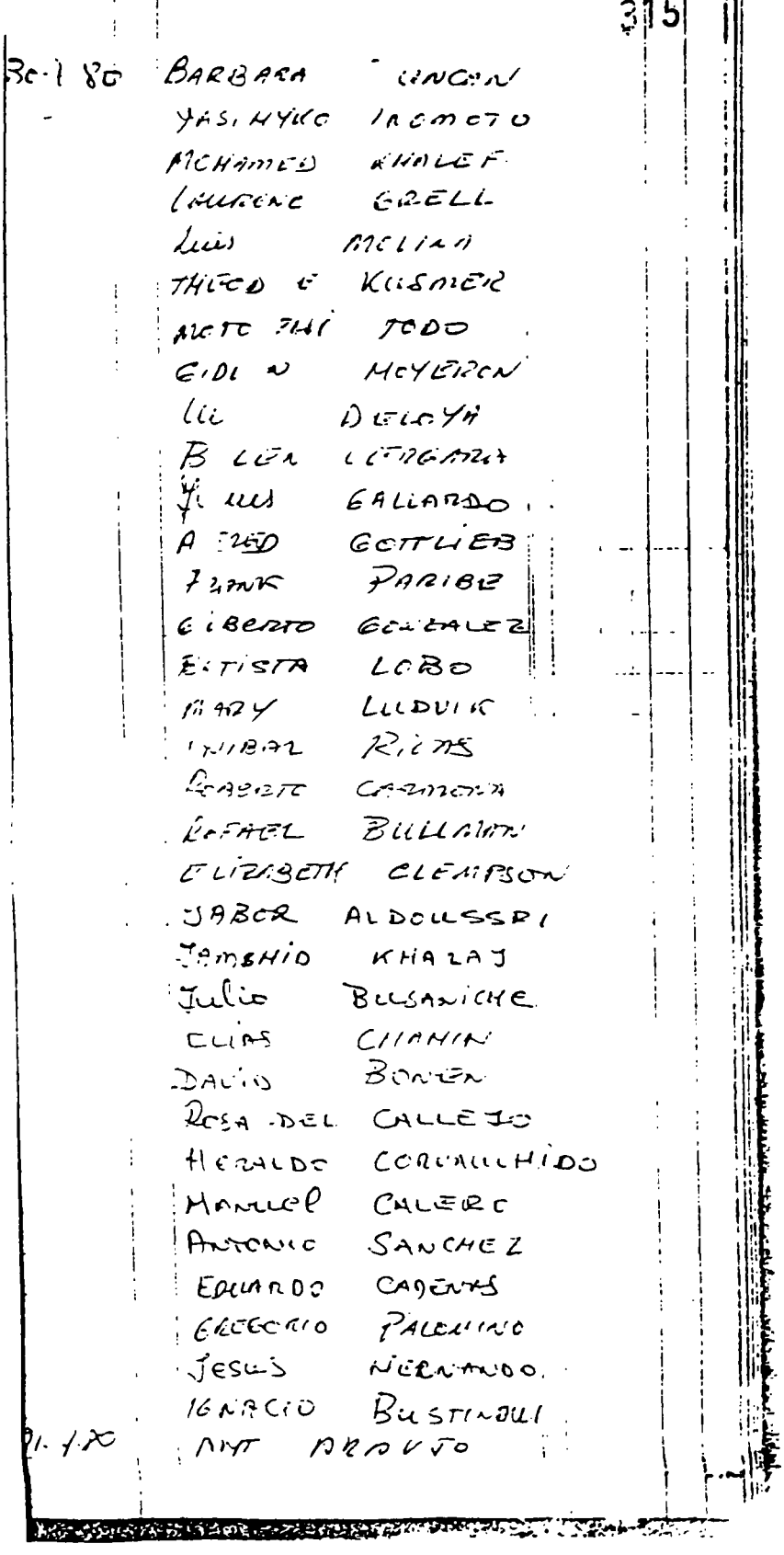
23-7-80	JORGE OLIVEIRA
	REGINALD WILLS
	BEATRIZ CABRERA
	KHABIL HAKIMIYON
	JOSE GROUSILLAT
	EDUARDO ARENAS
	ANA INCERA
	ALBERT HURLBUT
	JOHN NEL
	RALPH WIBESTOCK
	STEEN LOUS
	ROBERT GRAY
	FIDDY NJEMBELLA
	MOHAMED NABY
	PETER SONNEBEN
	PASQUALE COLOGGI
	SHIMONI BEN-DAVID
	ALFREDO DEUEZ
	MELAMATI TEPAOS
	MUCIO MELO
	PARUIZ NAZERI
	IKERNE DE GARMENDI
	CRISTOBAL GONZALEZ
	CASPER SCHMIDT
	PETRUS SWARZT
	ALFREDO FINIZIO
	MAX AMREIM
	ISRAEL STORZ
	COSMIRO FERREIRA
	ETELVINO COELHO
	RUI SOUSA
24-7-80	SAMIR AL-SHAYEB
	ZACARIAS BRAVO
	LOUR BRUSLEMER


LYDIVINA DE CASTRO
BASIL CASIDE
ANT CORRETJER
LUIS CACERES
SUSO FC·222
JUAN FLORES
VIR. GURETH
PINE GLAISE
RAMON GUNTORO
RUDOLF GLANZMANN
FCO GUEVARA
HOLFER
DAVIS HUMSON
HENRY SZUREITA
ALEXANDRE KRAUSE
FCO LADEIRA
ANTONIO MONSANTO
JOAN NOGUERA
PAULO LIZARES
MARCELINO PARDUES
GIORGIO TREMOLADA
OWSIANNA FARRINGTON
GIORGIO SPUNTO
AGUSTIN SEVILLA
MARIA ZAMORSE
JESUS GORGA
EUGENIO FERNANDEZ
JUAN MATO
EDUARDO GONZALEZ
ANT ANOCHA
LUIS BORTAS

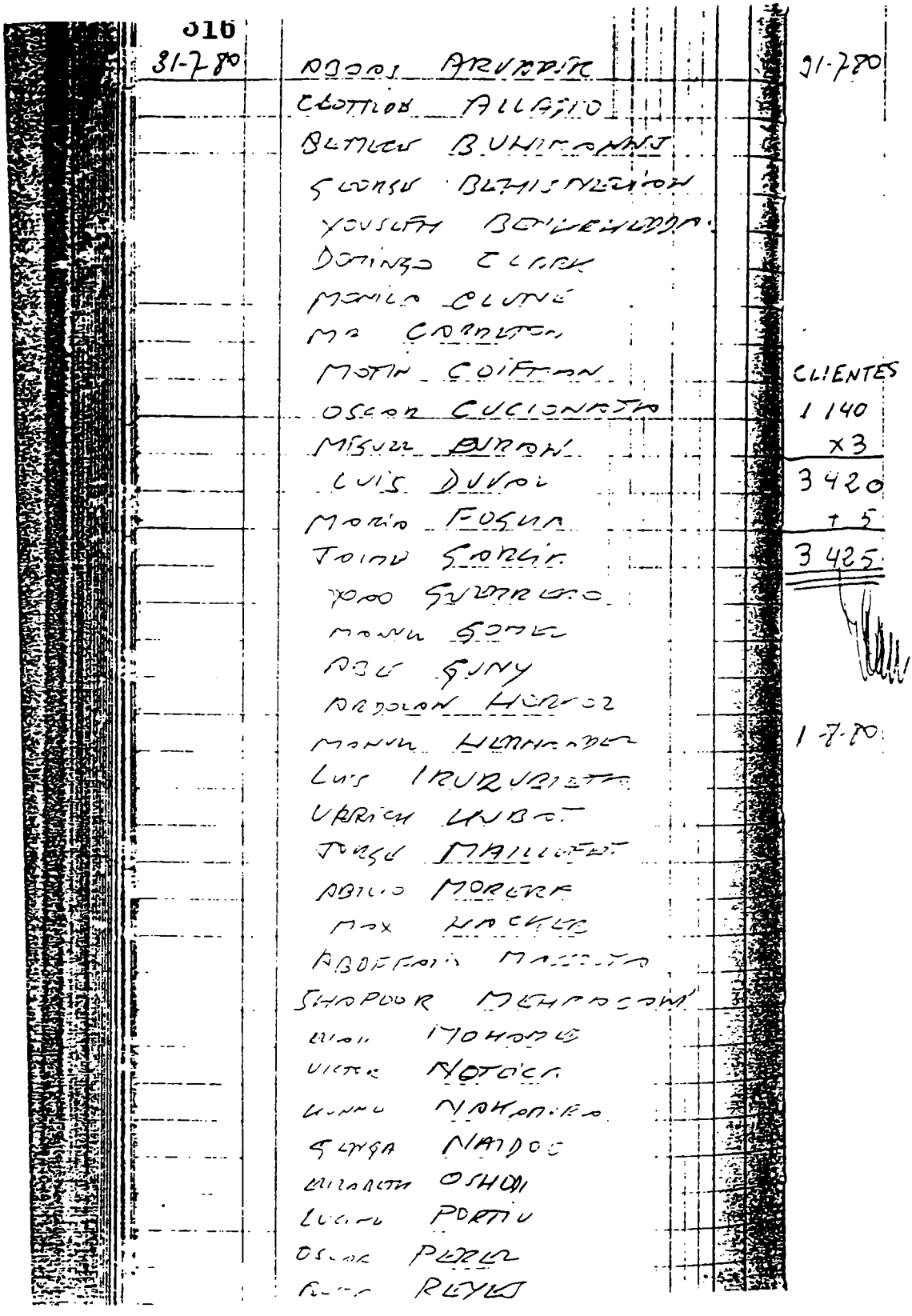


27-80	MARCELINO CUESTA	27-77
	NORMAN COHEN	
	TUNITO CABRAL	
	JACQUES COLOMBON	
	ANGELON DONTAS	
	HECTOR FURLONG	
	HECTOR GONZALEZ	
	MARIO GONTIJO	
	ABDULLA HASHIMI	26-77
	YOSHIRO ISHIKAWA	
	SOCHI ITHIOD	
	FOTINO LORRADO	
	COLTONO MARINI	
	ROSA DE MELLOT	
	BRUNO MORLOT	
	DENIZIE MOSCORA	
	MUCHIO MIZUSHIMA	
	ANDLA MERRONA	
	FUMIOKI MORIO	
	SABATO NADDO	
	MARIO OSORIO	
	ELO PASSALACQUA	
	RUDOLF RUMLEY	
	JOE ROMERO	
	JOAO RIAU	
	SERGIEN RUIZ	
	ADALBERTO RIVAS	
	SALVATORE TUMINO	
	JOE TABOR	
	OSAMO TOMORO	
	SATOKO SUNOBU	
	FEDICO VARGAS	
	NILO YORGAS	
	SALO YORGAS	


GIUSEPPE VACCARO
MASSIMO ANTONANGELI
LAURO WALDNER
ALFREDO MARTIN
FELIX RUIZ
FCO MUÑOZ
MO CARMEN COPETE
ANT SOLER
MANUEL NIETO
FCO CRUZ
MIGUEL SANNY
EDWARD THOMAS
ANTONIO TODO
MICHITO WATANABE
MARTIN MEDIA
MARIO COSTANO
TOMIFUMI SOMURA
MASUKE MASUDA
MAKOTO MARUYAMA
IZUMI MASHIMOTO
LUIS HOLLIA
IRAIS RAFII
ANT BEZZARES
SANTIAGO FONSECA
MARIO ARIAS
FCO SUAREZ
FCO CRUCHI
ANDRES TAMORIZ
EDUARDO ORIO
ATTIL DIDI
MIGUEL SELMAN-LEY
SONO MIYAZAWA
DOROTHY ISENMAN
RONAN AL-AMIRI



30-1 80	BARBARA	UNGAR
	YASUYUKI	IKEMOTO
	MOHAMED	KHALEF
	LAURENCE	GRELL
	LUIS	MOLINA
	THEODORE	KUSNER
	MOTOMI	TODO
	GIDEON	MOYERON
	LEE	DELOYA
	BRIAN	LEININGER
	JESUS	GALLARDO
	ALFRED	GOTTLIEB
	FRANK	PARIBE
	GILBERTO	GONZALEZ
	ELTISTA	LOBO
	MARY	LUDWIG
	ANIBAL	RIOS
	GABRIEL	CARMONA
	RAFAEL	BULLAMA
	ELIZABETH	CLEARSON
	JABER	ALDOUSSRI
	JAMSHID	KHALAJ
	Julio	BUSANICHE
	ELIAS	CHAHIN
	DAVID	BOREN
	ROSA DEL	CALLEJO
	HERALDO	CORVALCHIDO
	MANUEL	CALERO
	ANTONIO	SANCHEZ
	EDUARDO	CADENAS
	GREGORIO	PALENINO
	JESUS	HERNANDO
	IGNACIO	BUSTINDUI
21-1 80	ANT	ARAUJO

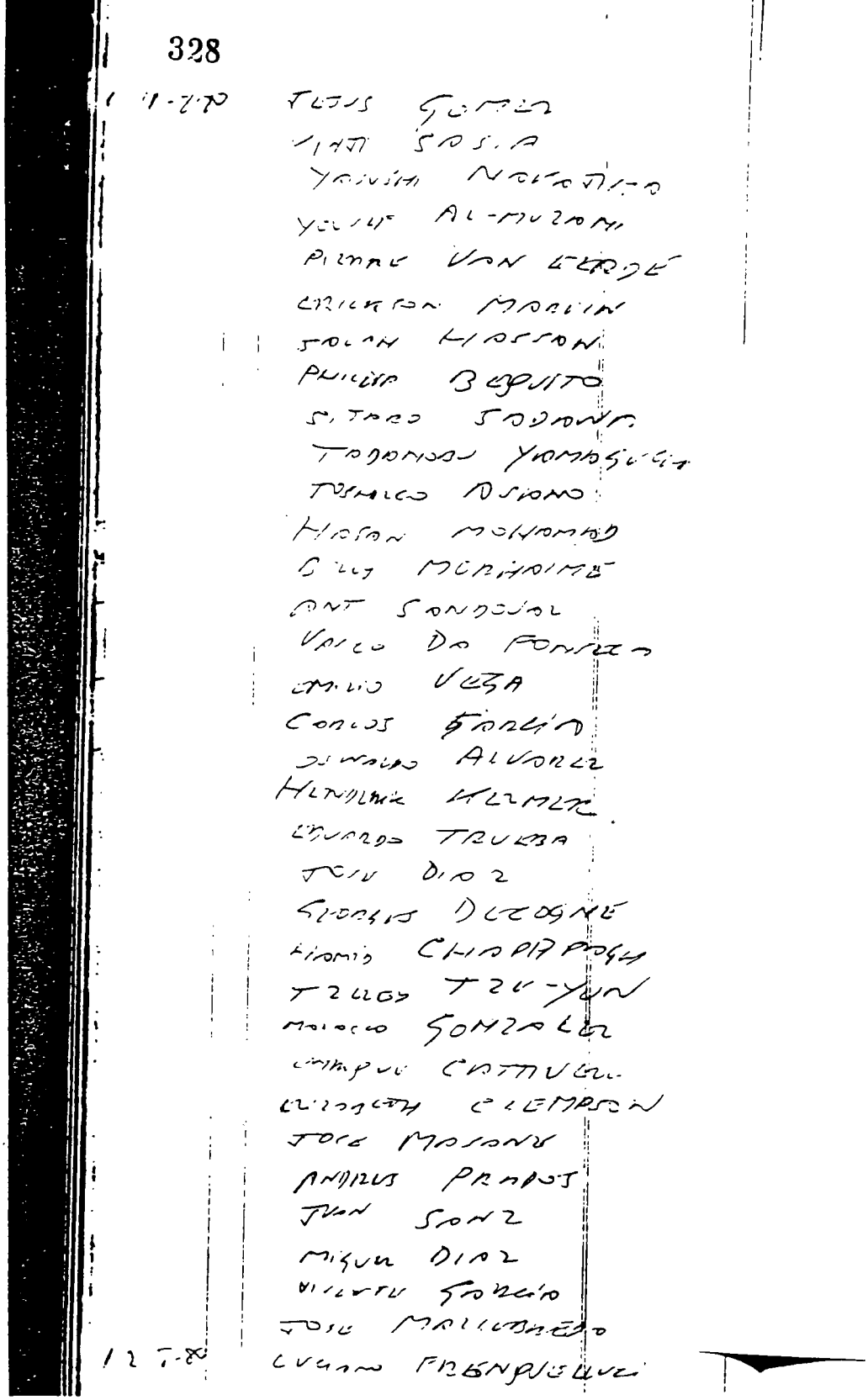


316		
31-780	[illegible] ARUNDIR	31-780
	CLOTILDE ALLAGIO	
	BLANCA BUHIGAS	
	CONSU BLANCHARD	
	YOUSUFH BOUCHAUDA	
	DOMINGO CLARK	
	MARIA CLUNE	
	MA CORNETO	
	MOTIN COIFFAN	CLIENTES
	OSCAR CUCIONETTA	1 140
	MIGUEL DURAN	x3
	LUIS DUVAL	3 420
	MARIA FOSUA	+ 5
	TOMY GARCIA	3 425
	JOAO GUIMARAES	
	MANU GOMEZ	
	ASU GUNY	
	ARDOLAN HUARTE	
	MANU HERNANDEZ	1-7-80
	LUIS IRURZIETA	
	URRICH LAUBET	
	JORGE MAILLOTET	
	ABILIO MORERA	
	MAX MACHLE	
	ABORTAIN MASSOTA	
	SHAPOOR MEHRDOSHI	
	[illegible] MOHAMED	
	VICTOR NOTOCA	
	[illegible] NARANJO	
	SONIA NAIDOC	
	ELISABETH OSHOA	
	LUCIANO PORTIU	
	OSCAR PERLA	
	[illegible] REYES	

App. 0344

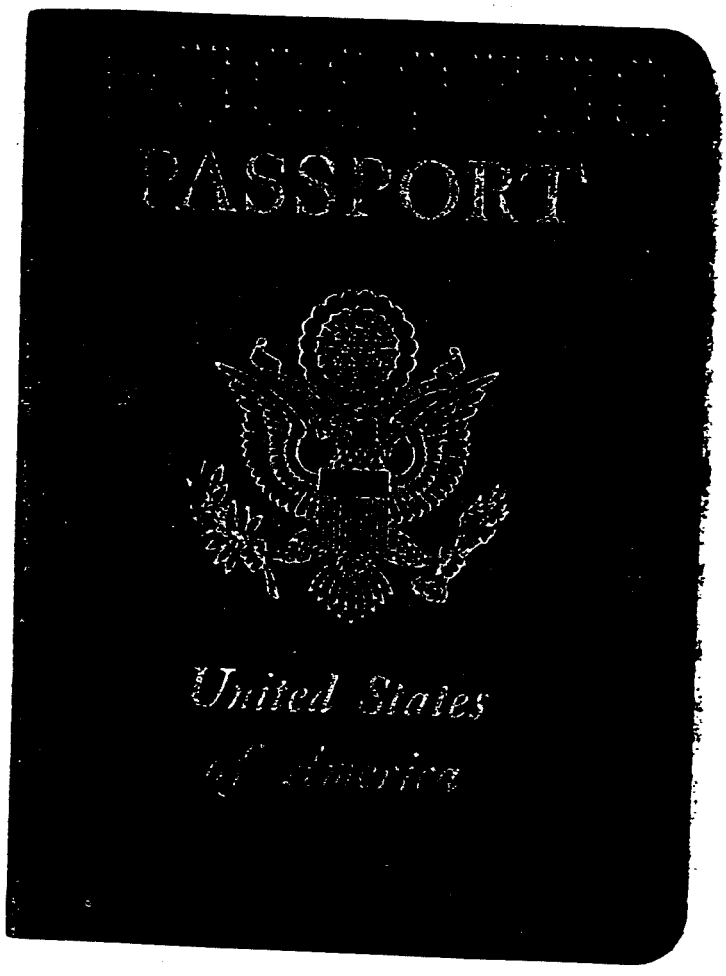
PEZ	4-80	WALTER HASCHKA
ZUZ		OSTARA ORLETOVA
JAMAL		MARIO MORONDO
LOUZIANS		HENRY NORMA
HAVEZ		TOYOYASU YAMARA
KATOWICZ		HOZO SUZUKI
SUHRING		RAFAEL PRANTERA
ESSMANN		YOKUZAWA SHIZUTU
PSTEIN		MARIE PINSOLLE
TCHEIMARY		MANFRED LEISSERING
DOBROWSKI		JUAN CAPOTE
DAVIZ		RICARD AHERN
DUBOIS		YOSI SAKAGAMI
DE PLATA		OLI BALDWIN
BLANCO		OSCAR GARCIA
BULLIO		RAFAEL MARTINEZ
ALMEDER		JOSE ACHOUR
EL-KUBAIB		PABLO RODRIGUEZ
L-TAHSO		FCO DOTOR
AL-GADHI		ANGEL PEREIRA
DUCH		MANEL MANERO
ONS		MANEL LOPEZ
ANSO		NICOLE ROMERO
LIVEIRA	9-8-80	PHILIPS OKOLOWITZ
LALBA		FCO MARTINS
HOFFMAN		TOSHIOKA OKUSHIMA
MIURA		RICARDO GRANDI
NOUR		THOMAS DE LAORA
ETORIO		SHOZUN TOKUMORO
OLMEDA		RUDOLF BRAUMLER
NRAN		AMT BOROMET
-SASI		MARIO COSTALO
		OLGA COSTALO
YONKAR		TERESA DOMINGUEZ

328



	Roberto Gomes
	Mario Bueno
	Luis Irrazusta
	Carlos Gomez
	Juan Chappelet
	Ricardo Baño
	Jorge Grossi
	Rene Smith
	Eliseo Dibens
	Pablo Fohrhaid
	Diego Lopez
	Roberto Guzman
	Eno Velloso
	Mario Cruz
	Fdo Bonito
	Juan Pluno
13-8-80	JOHUEL TAGEDDINE
	MOSAO SHINOZAKI
	MORIS GOLASTELLI
	ESTEBAN GANDOLFO
	~~FELIX~~ CORCUERA
	MANUEL FDEZ
	JACAUES CODOLNER
	MARIA HOFFMAN
	MONJUE WEFSTEELS
	JUAN NICOLAS
	ABRAHAM SONCA
	HUMBERTO ARAUJO
	Fco AGUIRRE
	ESTRAIN HOFFMAN
	ALICIA SANCHEZ
	LUIZ GUEBES
	ARAUJO SERJIO

13-8-80	JUAN PINGARRON	14-8-80
	ELEANOR SMITH	
	LUIS MORELLA	
	ALEJANDRO DE ARTOLA	
	NESTOR CARBAJAL	
	Fco BOLIVARQUEZ	
	FELIPE CALZADO	
	ALONSO FOLEZ	
	PEDRO QUINTANA	
	Mª JESUS DOMINGUEZ	
14-8-80	JOAQUIN DIABOSO	
	BENJAMIN COUTO	
	TAMARA SHOTCHIEZ	
	[illegible] FRUGIUELE	
	AHMED YARACHIA	
	JAIME GARCIA	
	CATALINA BUCCA	
	LAURA ARAMBIDE	
	HITOSHI TERUHINO	
	[illegible] KRUEGER	
	DOMINGO MAZON	
	RENATO COLON	
	LUIS [illegible]	
	[illegible] RICOS	
	[illegible] MORI	
	[illegible] ISWERT	
	[illegible] MARLBOUR	
	[illegible] RAHIMPOUR	
	ISAAC TATI	
	[illegible]	
	LUZ NUÑEZ	
	[illegible] MORZA	
	[illegible] SAGRADO	


PASSPORT
United States
of America

007 82

→ WARNING: ALTERATION, ADDITION OR MUTILATION OF ENTRIES IS PROHIBITED. ANY UNOFFICIAL CHANGE WILL RENDER THIS PASSPORT INVALID.

NAME—NOM
ROBERT KEITH GRAY

SEX—SEXE: M

BIRTHPLACE—LIEU DE NAISSANCE: NEBRASKA, U.S.A.

BIRTH DATE—DATE DE NAISSANCE: SEPT. 2, 1925

ISSUE DATE—DATE DE DELIVRANCE: DEC. 29, 1977

WIFE/HUSBAND—EPOUSE/EPOUX: X X X

EXPIRES ON—EXPIRE LE: MAR 09 1982

CANCELED
MAR 09 1983

MINORS—ENFANTS MINEURS: X X X

NEW APPLICATION

Robert Keith Gray
SIGNATURE OF BEARER—SIGNATURE DU TITULAIRE

→ IMPORTANT: THIS PASSPORT IS NOT VALID UNTIL SIGNED BY THE BEARER. PERSONS INCLUDED HEREIN MAY NOT USE THIS PASSPORT FOR TRAVEL UNLESS ACCOMPANIED BY THE BEARER.



ADMITTED
UNTIL
(CLASS)

FEB 13 1982

U.S. IMMIGRATION
060 PEV 0

App. 0350

NOTICE

This passport must not be used by any person other than the person to whom issued or in violation of the conditions or restrictions placed therein or in violation of the rules regulating the issuance of passports. Any willful violation of these laws and regulations will subject the offender to prosecution under Title 18, United States Code, Section 1544.

IF ISSUED OUTSIDE THE UNITED STATES THE FOLLOWING SECTION MUST BE COMPLETED BY THE ISSUING AUTHORITY.

PASSPORT ISSUED AT—PASSEPORT DÉLIVRÉ A

LOCATION—LOCATION

SIGNATURE—SIGNATURE

TITLE—TITRE

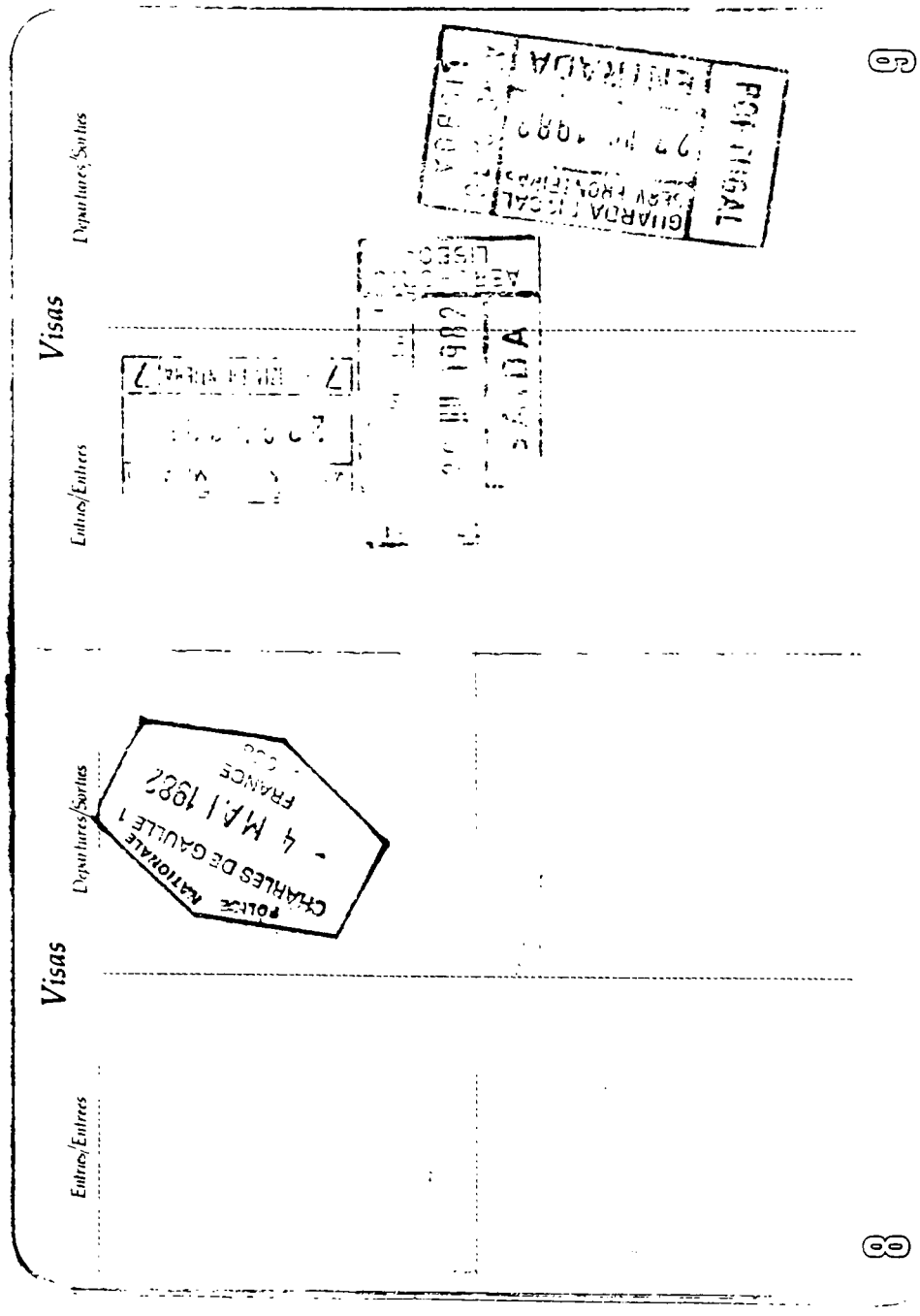
4

Amendments and Endorsements
Modifications et Mentions Spéciales

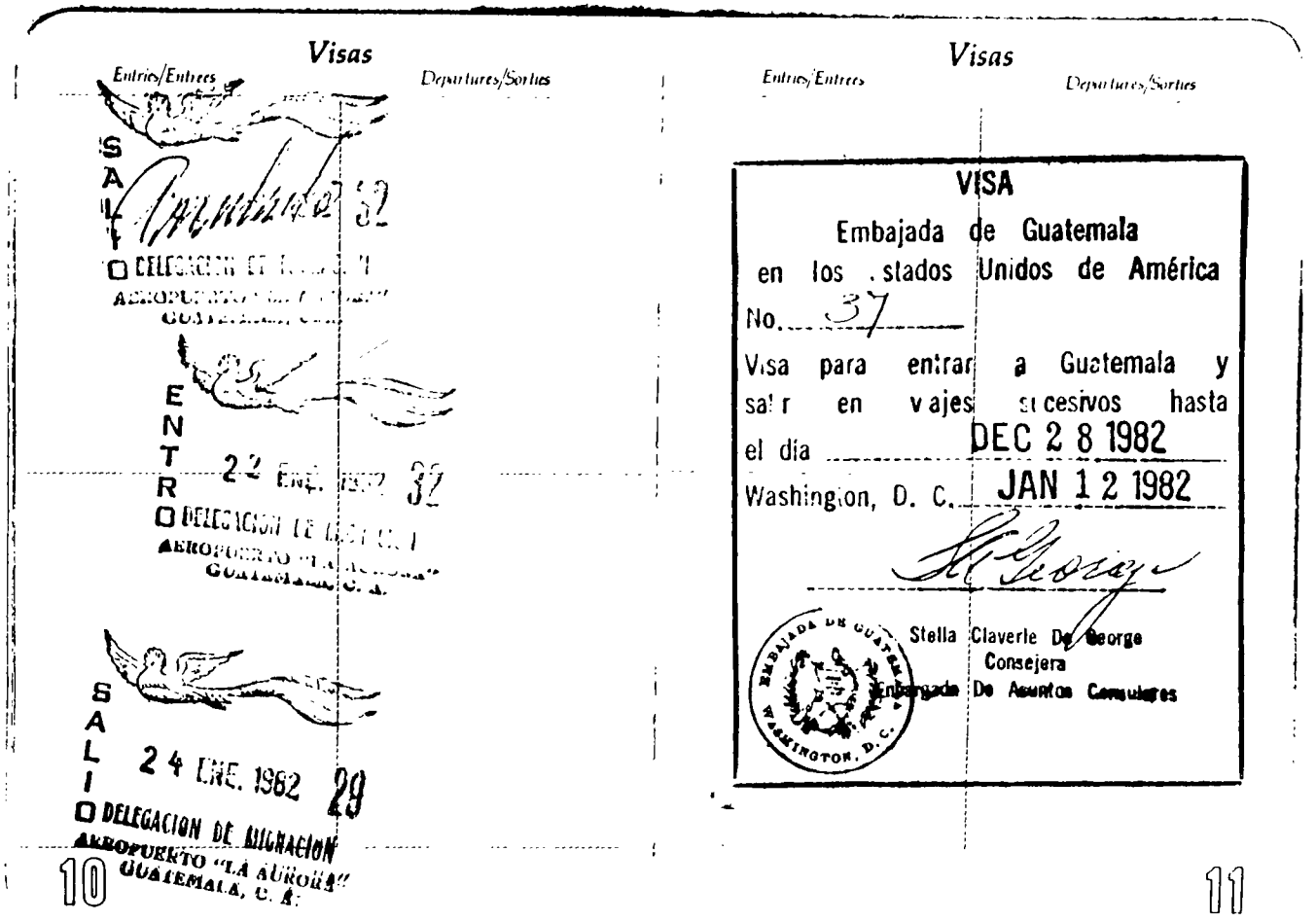
ADMITTED
U.S. CUSTOMS
U.S. IMMIGRATION
JFK AIRPORT
JUL 29 82

5

Visas
Entries/Entrees
Departures/Sorties
OFFICER
CHARLES DE GAULLE 2
A 425 FRANCE
Visas
Entries/Entrees
Departures/Sorties
23 JUN 1978
IMMIGRATION OFFICER
(775)
LIMEHRVED
2 3 JUN 1978
HEATHROW (3)
27 E
IT IS THE RESPONSIBILITY OF THE PASSPORT BEARER TO OBTAIN THE NECESSARY VISAS.
IL INCOMBE AU TITULAIRE DE SE FAIRE DELIVRER LES VISAS REQUIS.
7


Visas
Departures/Sorties
Entries/Entrées
Visas
Departures/Sorties
Entries/Entrées
POLICE NATIONALE
CHARLES DE GAULLE 1
- 4 MAI 1982
FRANCE

App. 0353

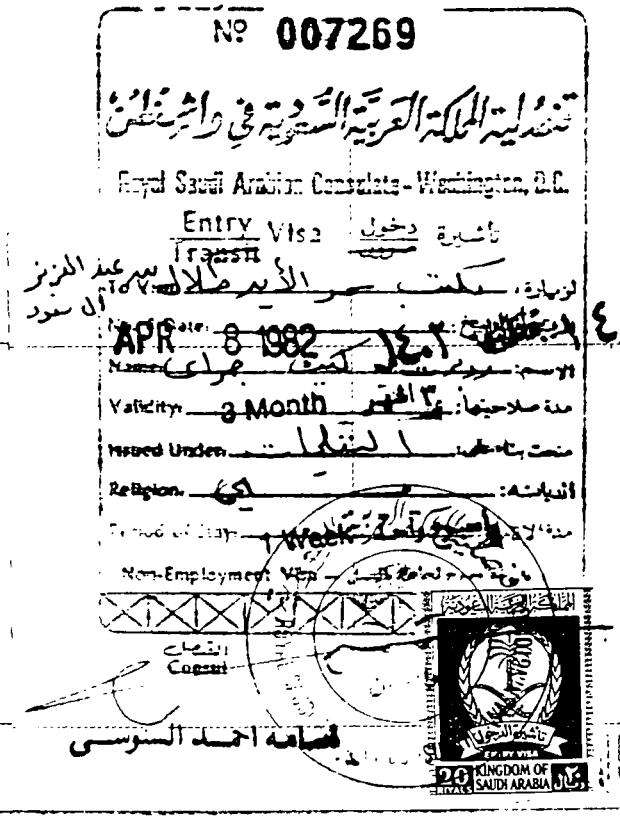

Visas
Entries/Entrees
Departures/Sorties
SALIO
24 ENE. 1982
DELEGACION DE MIGRACION
AEROPUERTO "LA AURORA"
GUATEMALA, C. A.
10
Visas
Entries/Entrees
Departures/Sorties
VISA
Embajada de Guatemala
en los Estados Unidos de América
No. 37
Visa para entrar a Guatemala y salir en viajes sucesivos hasta el dia
DEC 2 8 1982
Washington, D. C.
JAN 1 2 1982
Stella Claverie De George
Consejera
Embajada De Asuntos Consulares
EMBAJADA DE GUATEMALA
WASHINGTON, D. C.
11

Visas
Entries/Entrees
Departures/Sorties
Visas
Entries/Entrees
Departures/Sorties
U.S. IMMIGRATION
060 MIA C-33476
JAN 24 1982
ADMITTED
(CLASS)
UNTIL
NICE-Côte-d'Azur
10 AVR. 1982
FRANCE
E 063
12
13

App. 0355

Visas

Departures/Sorties | Entries/Entrees | Departures/Sorties



App. 0356

Visas
Entries/Entrees
Departures/Sorties
U.S. AIR PORT
REPUBLIC OF CHINA
MAY 22 1982
INSP.
REPUBLIC OF CHINA
C.K.S.
16
Visas
Entries/Entrees
Departures/Sorties
北美事務協調委員會
駐美國辦事處
COORDINATION COUNCIL
FOR NORTH AMERICAN AFFAIRS,
OFFICE IN U.S.A.
觀光簽證 (B)
TOURIST VISA
Valid until MAY 12 1987
Good for multiple journey(s)
to the Republic of China if
passport remains valid.
Director
Service Division
Date of issue: MAY 12 1982
Duration of stay: TWO months
No. 2719 Fee: GRATIS
OFFICE IN THE UNITED STATES OF AMERICA
17

EXHIBIT 6
FOR IDENTIFICATION
MARTIN M. HOROWITZ, CSR
8-27-92

ANGLO-AMERICAN CONFERENCE

ON

THE HISTORY OF THE SECOND WORLD WAR

28-31 JULY 1980

Monday, 28 July

Session I : 9.30 - 11.00 Opening Session

Professor Maurice Matloff (Center of Military History USA)
Professor Michael Howard (All Souls College, Oxford

11.00 - 11.30 Break for coffee.

Session II : 11.30 - 1.00 China

Professor Robert Dallek (University of California, Los Angeles)
Mr Louis Allen (University of Durham)

1.00 - 2.30 Lunch in the Imperial War Museum.

Session III : 2.30 - 4.00 Russia

Professor John Lewis Gaddis (University of Ohio)
Professor Donald Cameron Watt (London School of Economics)

4.00 - 4.30 Tea.

6.15 Reception by the Trustees of the Imperial War Museum and the British National Committee

Tuesday 29 July

Session IV : 9.30 - 11.00 Secret Operations

Mr William J Casey : Special Operations with particular reference to France.

Sir William Deakin : Special Operations and Italian Resistance.

11.00 - 11.30 Break for coffee

Session V : 11.30 - 1.00 Roosevelt and Churchill

Professor Warren Kimball (Rutgers University)
Mr Martin Gilbert (Merton College, Oxford)

1.00 - 2.30 Lunch in the Imperial War Museum.

Session VI : 2.30 - 4.00 The Italian Campaign

Professor Martin Blumenson
Mr Nigel Nicolson

Wednesday 30 July

Session VII : 9.30 - 11.00 Ultra

Professor Harold C Deutsch (Army War College, US
Mr Ralph Bennett (Magdalene College, Cambridge)

11.00 - 11.30 Break for coffee

Session VIII : 11.30 - 1.00 Relations with the French

Professor Arthur Funk (University of Florida)
Mr Philip Bell (University of Liverpool)

1.00 - 2.30 Lunch in the Imperial War Museum.

Session IX : 2.30 - 4.00 Science

Professor Daniel Kevles(California Inst of Techno
Professor Margaret Gowing (Linacre College, Oxfo

4.00 - 4.30 Tea

Thursday 31 July

Session X : 9.30 - 11.00 Oral History

Professor Samuel Proctor (University of Florida
Mr David Lance (Imperial War Museum)

11.00 - 11.30 Break for coffee

Session XI : 11.30 - 12.15 Closing Session

Luncheon Reception by the Council of the British Academy

App. 0359

To: Mr. E.Lawrancr Barcella
Chief Counsel
House Task Force on "October Surprise";

From: Mortza Abdollahi
on Behalf of President Bani Sadr
1995
Fax # 202-226-~~9814~~

Date of transmittal: Dec. 17, 1992

Dear Mr. Barcella;

President Bani Sadr has written these few page in respose to your Senate counterpart's recently released report regarding Passandideh's meeting with Potinger in Madrid. There are more to come in the next few days. If you have any question regarding this piece or the upcoming ones, please call me at 408-446-0189 (daytime) or 408-737-1464 (evening).

of pages including this cover: 12

If there is any problem in recieving these pages please immediately call at 408-255-5705

For Mr BARCELLA's
immediate attention
Please

The Senate Foreign Relation Subcommittee report on October Surprise", states that Stanley Pottinger, Cyrus Hashemi and Mahmood Moini met with Reza Passandiden, Khomeini's nephew, in Madrid on July 2, 1980, and Pottinger, though a republican, represented Carter Administration, and not the Reagon campaign, in this meeting.

Now that it is reaffirmed this meeting did take place. it would be very easy to prove that in this meeting Passandideh had actually met with Reagon's representative, even though Pottinger may have been authorized by the State Department, because :

A: Carter Administration:

1- This would be the only contact between the two governments that was totally unconnected and unrelated to anything that happened either before, or after this meeting, and it had left no effect at all.

2- There had been contacts between the two governments through German and Swiss Ambassadors as well as two french lawyers, and there was no need or necessity for any new channels. Moreover this is the only contact between the two government, as it is claimed to be, that nobody, from either side had ever said a word until I first disclosed it.

And Passandideh neither was athorised by me nor he had said a word about Carter proposal. In fact he informed me about Reagon Campaign's proposal., because:

3- If he had met with Carter representative, then there would have been no need to hide his name as well as the content of the proposal made through him, simply due to the fact that all prior cantacts were known and I wrote about every one of them in my daily columns ("Column"), exept this particular one. For instance in September 16, 1980 Column I wrote, "... Swiss Ambassador came and gave me a note from American Administration. I instructed the translation of that note to be sent both to "Imam" and Majlis..." , or in 9,3,1980 Column , "... German Ambassador came to see me with the American proposal about hostages...".

The only instance when neither me nor any other Iranian official had ever talked or written about, was the content of the proposal of the Passandiden meeting in Madrid. Why this one alone was an exception? Because he told me that he met with Reagon representatives and the proposal he gave me was from Reagon camp.

B: Reza Passandideh

1- I did not know Pasandideh personally; Through one of my advisors he asked for a meeting for a "very important" subject. He came to my office on July 7, 1980. If he was authorized by me or by Khomeini, I would have named him as well as the content of his proposal in the Column. But he insisted that if I disclose that he was the intermediary of Reagan camp's proposal about hostages, his life would be in danger. That is why I had never disclosed his name in Columns or in my book, My Turn To speak. In fact until Gary Sick's book, October Surprise, was published in 1991, I did not know that Pottinger met Passandideh, on the surface as representative of the U.S. State Department.

In the next day s Column I did not mention his name and I talked about the proposal he had brought with him very ambiguously; however such ambiguity that at the same time would have implied, to those who were knowklege about political affairs as well as those who followed my writings, speeches or interviews for the previous eight months, that I am referring to Reagan and his presidential campaign

I wrote in July, 7, 1980 Column;
"... then one of our countrymen, who is Imam's nephew came to see me and shared some information he had bought from his trip abroad with me and we talked about them. then we talked about how we should act in three foreign directions: one was how to set up an international tribunal to try U.S. policy in Iran to achieve the following three major goals:
1. To alter the psycological structure of the American people in such a way that they would no longer be able to tolerate their existing institution of government and recognize that this institution is full of corruption and destructivness and ....."

2- Passandideh told me that if I do not accept this proposal, they would make the same offer to my rivals; he further said that they have enormous influence in the CIA and they are of the opinion that you will not come to terms with them. Lastly he told me my refusal of their offer would result in my elimination. That is why I had written in Column that, " ..today the same government and the same propaganda machines say that it is impossible to reach an agreement with the President of Iran...".

But President Carter and his people have never said this about me. Firstly, we both signed the "Scenario", to resolve the hostage problem; Secondly, both him and his people,

App. 0362

then as well as later, have said repeatedly that I was in favor of releasing the hostages and we both tried. Moreover, statements of top Reagon campaign officers at the time could be looked up to find out if any one of them had stated anything to that regard. If none can be found, then I must have heard this from Passandideh, subsequent to his meeting in Madrid.

3- Passandideh attended the Madrid meeting with or without Khomeini's knowledge; I am sure that he would not have cared to do it without Khomeini's knowledge. In fact he did tell me that he had already informed Khomeini about the meeting and the proposal. If Khomeini did not know about the meeting, then Passandideh would not have consented to me writing in the Column that ". . . Imam's nephew... Gary Sick writes in his book, "October Surprise", that Passandideh actually went to Madrid just to attend this meeting; then I concluded that he must have attended the meeting with Khomeini's knowledge and approval, ' and without the knowledge and approval of the President. But then one should ask if Khomeini had sent Passandideh for negotiating with Carter Administration, why did Khomeini later send Sadegh Tabatabaii to negotiate with Carter administration through German government.

The truth is that Passandideh was authorised by Khomeini to negotiate with Reagon group: and it must have been upon Khomeini's instruction that Passandideh came to see me to both enroll me in the deal, and to threaten me if I did not accept. And if had not strongly objected, the deal with Reagon group would have been made as soon as possible and there would have been no need for Tabatabaii's mission. Specially with the start of the war with Iraq, he finally agreed to resolve it with Carter Administration. Or so I thought.

C: Khomeini:

1- until I learned about this secret meeting, neither there were any secrets nor I had ever threatened to tell the public about the truth. And there was no single issue, domestic or foreign that I did not talk about in the Column. Since the hostage problem started, the only secret that Khomeini objected to be revealed, was this secret meeting with Reagon group.

The first time I threatened to tell the public the truth, was right after my meeting with Passandideh. There are other reasons as well which prove that what I was threatening them to expose was this secret meeting.

App. 0363

2- After Passandideh meeting, and due to the efforts of the leaders of IRP, Islamic Republic Party, to remove the governor of Central Bank, Ali Reza Nibari, on the one hand, and imposing on me their hand picked man asprime minister, on the other hand, I decided to expose the Secret Deal with repuolicans in a public speech. I wrote in the Column, "...If these efforts continue, I would have no choice but... to tell the public what must be said and ask them to tell me what to do...".

untill Spring of 1981 I thought that Khomeini was not personally involved in the Secret Deal. That was why I did inform him of any piece of new information I had recieved. When he found out that I am about to expose the Deal, he asked me, through his son, Ahmad Khomeini, to hold on for a while. I wrote in July, 19, 1980 Column, "... I was going to describe the facts for people; But just before the meeting, Mr. Ahmad Khomeini talked with me and we decided that these problems may be resolved in some other ways..."

But Khomeini did not keep his promise and four days later he sent his son-in-law, Eshraghi, to see me. I wrote in the Column,(July, 23, 1980), "... I fully explained these issues to him, which I hope to be able to write or talk about to be recorded in the history...".

Khomeini kept on promissing to do something about it on the one hand, and at the same time kept on breaking those promisses. On Aug., 20, 1980, I talked to Khomeini again, and I wrote in the Column, "... different issues were discussed which can not be revealed at this time... . The same day I attended a meeting of the Revolutionary Council. Again, I mentioned the hostage problem, the need for spare parts, and the imminent possibility of an Iraqi assault. repeatedly insisted that a rapid solution to hostage problem would result in the lifting of the blockade and would help us in our preparation for the war, which I said was close at hand. Beheshti then interrupted, ' If we solve the hostage problem, you must not criticize us....write it down: promise that you will not criticize us."

On September 8, 1980, I invited the people of Tehran to gather in the Martyrs Square so that I can tell them the truth. Khomeini insisted that I must not do so at this time. I wrote, '... my plan was to let all the curtains fall...' Though I had accepted not to say anything, but I talked vaguely and people understood me that I called the leaders of IRP as agents of a coup d etat. That evening, Beheshti and Rafsanjani responded, publicly, to my implied allegation.

App. 0364

Two days later, again, I decided to expose everything. Ahmad Khomeini and Eshraghi came to see me and told me "Imam" absolutely promises. After this meeting, Khomeini authorized Sadegh Tabatabaii to contact the Carter Administration through German Foreign Minister.

After Reagon came to power, I switched from insisting on exposing the Secret Deal to insistance on holding a televised debate with Rafsanjani, Rajaii, and Beheshti. Khomeini stubbornly objected. In a letter on Feb. 14, 1981,* I wrote to him,

". . . You tell me not say anything. Whilst inspite of their negligence in resolving the hostage crises with such a disgrace and get stating with impudence and vulgar that any protestation to their handling of this affair would be a sign of support for the United States. still shouldn t I (publicly) explain the episode from the begining to their surrender to the United States?

Then, when these gentlemen are allowed to in theses terms, without any adherence to religous principals and in collusion with the United States, permit me to inform the public about the truth of the matter from the very incention to the end. . . .

Thus the "Secret Deal" that I had been insisting on exposing since my July 7,1980 meeting with Rafsanjani was no other than this Secret Deal with Reagon group.

Later, on April 18, 1981, in another letter* to him, wrote, ". . . there is another report regarding (their) contacts with Reagon emmissaries in Paris. , and in the same letter I insisted that I cannot keep silent any longer. After this letter, Khomeini reacted amazingly and forbade me, as well as others, from giving any public speeches.

From then on he insisted that I should accept the Deal as a foregone conclusion and cooperate with "them". In our last meeting on June 6, 1981, Ahmad Khomeini, in the presence of his father, insistantly tried to convince me. I did not accept. Right away they finalized the creeping coup d'etat. From amongst all my associates who where arrested, the only two who were executed were Martyrs Hossein Navvab Safavi and Rasnid Sadr-al-Hefazi, who had been gathering information about the "Secret Deal".

---

* These two letters, as well as all my daily columns, were provided to Task Force on October Surprise of House or House of Representatives.

App. 0365

Given these facts, is it concievable that Khomeini would have acted the way he did, if his nephew, Passandideh, had not been his emmissary? Or if Passandideh had talked to a Carter representative, rather than a Reagon emmissary? What could have been the "Secret" that I had so insistently kept on threatening to expose and Khomeini kept on preventing me of doing so?

D: Beheshti, Rafsanjani, Khamenei and Rajai:

1- Contacts with Republicans must have incepted long before Passandideh meeting in Madrid; Firstly, there must have been prior contacts between them to lead to Passandideh attending the Madrid meeting; Secondly, on March 15, 1980, I was given an audio tape of a meeting Beheshti held with his close associates, where he had said, "...the hostages must be used as a trump card against Bani Sadr and Carter...

And in reality hostages were actually used in a manner that Carter was defeated in the November 1980 election and Bani Sadr was removed from presidency by a coup d'etat in June 1981.

Some may say, quite credulously, that it is possible Khomeini and leaders of IRP, without any Secret Deal with Reagon group, had achieved the same objectives by delaying the release of hostages. But it would have been impossible for them to use hostages as a trump card against both Carter and Bani Sadr without the "Secret Deal". Why? I shall answear this later.

After Beheshti's audio tape was revealed, firstly he attempted, in my absence, to get the approval of the Revolutionary Council on a plan which could not be called anything but a coup d'etat.

2- Not much later, I was given another audio tape, of a private meeting, where another member of the political bureau of IRP, Hassan Ayat, talked about a plan that would eliminate Bani Sadr by June 1980. I published this tape in our Newspaper, as well. It was the same as the plan Beheshti had proposed in absence to the Revolutionary Council where the Country would go under an emergency condition and would be run by a joint committee of the representatives of Revolutionary Council, Revolutionary Guards, and the Revolutionary Courts. I wrote about this plan in my letters both to Khomeini and to Majlis. But:

3- The first time I ever talked about this "Plan" publicly, was in the Column on July 7, 1980, because Passandiden had told me about the proposal, by Reagon group, to delay the release of hostages, and that they would eliminate me if I did not accept their offer, and they would make the deal with my rivals in the IRP.

The same day, General Bagheri, Commander of the Air Force, informed me that he had recieved information that a secret agreement was made between Reagon camp and the leaders of the IRP.

That is why I continuously talked about the "Creeping Coup" in the Columns.

4- The same day, I wrote about the first phase of the Plan in Column, i.e. their attempt to remove Ali Reza Nobari, Governor of Central Bank, who was an associate of mine, as well as imposing their own man as prime minister.

President Roosevelt said that in politics nothing happens by accidents. <u>If it had not been for Khomeini's nephew giving me the proposal by Reagon camp, as well as threatening me to accept it, It would have been inconcievable for me to inform our people about all these issues by discussing them in that day's Column.</u>

In my letter of July 21,1980,* to the menbers of Revolutionary Council, I emphasized that, "... IRP wants to have a Cabiret that is totally against the President...". In the same letter, I explained the relation between attempts to remove Nobari and " using the hostages as a trump card."

5- Next day, Ghotbzaden, Minister of Foreign Affairs, and Mousavi Ardebili, came to see me and our discussion around the "Secret Deal" lasted until 3:45 in the morning, July 8,1980, Column. "...I gave him a complete desciption of U.S. policy in Iran, accompanied with clear examples..."

6- July 13, 1980 Column, "...Foreign Minister came to see me tonight and gave me information about an extensive plan of the <u>MAIN</u> coup d'etat..."

7- On July 17, 1980, Eshragni, Khomeini's son-in-law, came, and through him I informed Khomeini about the newly obtained information.

8- On July 18,1980, Revolutionary Prosecutor General subpoenaed Nobari, and if it was not for my quick and subtle

---

* Copy of this letter is given to "Task Force"

App. 0367

reaction, Nobari would have been imprisoned and the first phase of the "Plan" would have been partially completed.

9- on July 20, 1980, two members of the Majlis, Mr. Anvari and Dr. Chamran, came to see me. Anvari had resigned because of the terrorising atmosphere in the Majlis. I talked to them about the "Secret deal" and wrote in the column, "... I told him we have act soon and fast, before ... this devilish Plan is implemented..."

10- On July 22, 1980, I wrote, "... Foreign Minister came and brought new reports about an extensive conspiracy against the Republic, which concures with previously gathered information..."

11- I should add that prior to Passandideh meeting, I had reached an agreement with the leaders of IRP on the choice of prime minister. was it merely an accident that they negated on their agreement upon the return of Passandideh from Madrid. If Passandideh had not returned with a proposal from Reagon camp, a prime minister who was congruent with the President, along with a Central Bank governer who is his appointee, would have been the best combination for resolving the hostage problem with Carter Administration. <u>According to our Constitution any foreign agreement must be signed by the President or his authorized representative</u>. But since they had made the "Secret Deal", they needed a prime minister and a Central Bank governor who would act without the President's knowledge.

On July 27, 1980, I attended in the Majlis, and informed the members that I had reached an agreement with the IRP leaders on the choice of prime minister, which was later negated by them. It is interesting that they did not even accept any member of their own party that I suggested but was not in total opposition to me.

12- On August 17, 1980, I attended, with Ahmad Khomeini, a Revolutionary Council meeting. In that meeting, Beheshti asked me to write a note that "... if we solve the hostage problem, you must not criticise us...". I told him, in turn, to write a letter that they resolve it in accordance with the terms delineated in the "Scenario" already agreed upon by President Carter and myself.

Since that "Scenario", no new event had taken place, except one; Passandideh's meeting in Madrid. In August 17 meeting of the Revolutinary Council we talked about the "Secret Deal" and Ghotbzadeh told them, "you went wrong and maid the "Deal", but there is time to return and correct it."

App. 0368

He also told them that, ... the information we have is much more extensive that you can imagine... .

If Passandideh had brought a proposal from Carter Administration, why did Behesnti need me to write such a letter? If he was talking about a deal with Cater, constitutionally I was the only one with the authority to sign the agreement. In other words, Behesnti had no authority to negotiate to resolve the hostage problem and he could not negotiate with Carter Administration. Then what resolution of hostage problem, and what contacts, he was talking about?

If they had not made a "Secret Deal" with an unofficial group in the U.S., then what was the reason for someone, with no formal authority, like Behesnti, to ask me to write such a letter?

13- The same day, Ghotbzadeh wrote a letter to Majlis, concluding, 'We have information that the American Republican Party, in order to win the upcoming election, is trying very hard to delay the resolution of hostage problem until after the U.S. presidential election...'

Therefore it must be clear now that all information Ghotbzadeh had been giving me, since my meeting with Passandideh, were about the efforts of "... American Republican Party to delay the resolution of hostage problem until after the U.S. presidential election.'

14- On July 30,1980, a letter by members of U.S. Congress, addressed to Majlis, was read on the floor of Majlis. Upon reading this letter, Rafsanjani, Speaker of the Majlis, listed " eight crimes of the United States' in Iran. Crimes number one and two were, respectively, " Freezing of Iranian assets", and " blocking the shipment of military equipment and spare parts, already paid for... .

However, on October 23, 1980, only one month after Iraq's invasion, and when the war was intensifying and we were badly in need of arms and spare parts, Rafsanjani declared, in an interview given to Le Monde, that "... we may not want the American arms...".

If there was no "Deal" with Republicans which assured them of transfer of arms, would it have been possible that Rafsanjani, who had called "blocking the shipment of military equipment..." one of the eight major U.S. crimes, to announce that "...we may not want the American arms"? And at the same time secretly recieving American arms through Israel?

App. 0369

15- From October 10, till November 2, 1980, one day before U.S. election, due to intentional delaying tactics in Majlis, nothing was officially done to resolve the hostage problem. On October 31, 1980, Beheshti came to see me in the war front. Behzad Nabavi, Minister of State at the time who signed the so called 'Algerian Declaration" later on, states, in an article in "Foreign Relation Quarterly" (vol. 3, Fall 1990), what Behesnti had told Bani Sadr in that meeting; "... Imam has been in this process of resolving the hostage problem and he approves it...". But there was no official negotiation at the time and everything was halted. What "resolution" was he talking about, other than the one that had already been secretly made with Republicans?

I did not disclose what Beheshti had said simply because Khomeini was so sensitive towards it. Furthermore I had not yet believed that Khomeini was personally involved.

16- One week after my meeting with Passandideh, On July 14, 1980, in a letter to Khomeini, I asked him, "... is there still any doubt (in your mind) that the content of that other tape is real and they are using the hostages for their personal vendetta and consolidation of power?"

On July 25, 1980, I wrote to Majlis, "... the one person who must undo the conspiracies in this period of crisis... must not be subjected to the attacks of those who wish to repeat the 1953 coup d'etat at any price.... and the Speaker of the Majlis, personally, worsens the situation as well...".

The 1953 coup was the result of a "secret deal" between the Pahlavi Court, U.S. Republican Administration, and the British Conservative government; This was the first time, publicly, I had accused Rafsanjani and his coconspirators in the IRP for setting the stage for a coup d'etat similar to the 1953 coup - i.e. through a 'Secret Deal" with U.S. Republican Party.

To date, none of these people, Khomeini, his son, Rafsanjani, and others , ever denied making the 'Secret Deal". In fact on Nov. 3,1980, the day of U.S. election, Rafsanjani had openly, stated on the floor of Majlis, that " We will be told, in the future, that we were the cause of Reagon's victory."

On the same day I wrote,

1: "...I remember taht 8 months ago I told them that I cannot accept the responsibility of changing the psychology of American people to violence and interventionism...."

2: "...and I think that Reagan will win the election, not as Republican vs. a Democrat, but as the symbol of the change in American people's psychology. A few days ago I told my associates that the decision about hostages HAS BEEN MADE TO BE RESOLVED at a time and in a manner that would not help Carter rather in fact work against him. I think my conclusion, based on my long experience about the psychology of western socities, due to my living there and my studies in that field has been proven correct."

The next day, I wrote to Khomeini, ".. I told you, on several occasions, that Reagon's victory in the election is tantamont to the change in the psychology of American people, and that it is very dangarous for the man kind. Now it is clear that his election has exactly the same meaning."

Note that I used the same phrase here, "change in the psychology of American people", as I had used in the Column on the day I met Passandideh, in July, when he told me about the proposal by Republicans.

Now one should ask oneself whether all the events and facts I have listed above could have taken place, if the Americans who met Passandideh in Madrid, while under the COVER of representing the State Department, had not actually sent the Republican proposal to Khomeini?

Whilst I talked and wrote so extensively, based on what Passandideh had told me, wouldn't it have sufficed Khomeini and IRI leaders to simply tell me that they had negotiated with Carter representatives, instead of all they have done, if Passandideh had actually met with representatives of Carter Administration?

Could one closes his eyes and disregard all these hard and undisputable facts, with good conscious, to cover up this story and to exonerate Reagon and Bush?

App. 0371

To: Mr. E. Lawrance Barcella Jr.
Cheif Counsel
House Task Force On "OCTOBER SURPRISE"

From. Mortze Abdollahi
on behalf of President Bani Sadr

Fax # 202-226 1995

Date. Dec. 26, 1992

Dear Mr. Barcella:

The following 12 pages are the translation of major portion of additional comments President Bani Sadr prepared in response to Senate Subcommittee's report, and it is the follow up to the 11 pages I have faxed to you last week. we hope that they will shed additional lights on your efforts, though at this late hours of your tenure. Please call me at 408-737-1464, if I can be of any assistance.

Have a merry Christmass and a great new year.

Number of Pages(including this cover sheet) : 13

FOR Mr. Barcella's
immediate attention

App. 0372

WHY USING THE HOSTAGES ... AGAINST CARTER AND BANI SADR WOULD HAVE BEEN IMPOSSIBLE WITHOUT A SECRET DEAL' WITH REAGAN CAMP?

A) Regarding Senate Subcommittee's Report on "October Surprise" (Report) regarding shipment of American arms to Iran via Israel

The Report confirms that shortly after Reagan came to power, American arms were shipped to Iran. In this respect there are some important facts in the Report that need to be emphsized:

1- Haig says that Casey obtained Reagan's approval, without his knowledge. Allen says that Haig obtained Reagan's approval through back door;

2- Autorization for F-4 spare parts were issued after receiving information that Soviets were to give T-72 tanks to Iraq;

3- U.S. policy regarding transfer of arms to Iran was changed in July, 1981,

4- Due to U.S. arms embargo of Iran, Khomeini had to turn to Israel for spare parts.

In this section of the Report, like the part regarding Passandideh's meeting in Madrid, it is not the event by itself that explains the causes of the event. In fact is that is in contradiction with other ones. The Report is totally incoherent, and thus disguises the truth. If, instead of justifying each event indepently, they were put coherently together, they would have explained the entire truth completely.

However:

a) Senate investigation, (investigation), knows that Khomeini would have not turned to Israel automatically. Thus they admit that Iran was so desperately in need of spare parts that forced Khomeini to turn to Israel.

b) Israel's motives were:

1) As part of " Israel's "peripheral Strategy" of building alliances with non-Arab Countries bordering Israel's enemies;

2) To "protrect the remaining members of Iranian Jewish community";

App. 0373

c) And U.S. motives were:

1) To maintain the military ballance between Iran and

1) To maintain the military ballance between Iran and Iraq which was being deteriorated by Soviet delivery of T-72 tanks to Iraq.

Let me address these erroneous claims in the Report:

a) Khomeini turning to Israel:

1) The war with Iraq started in September 1980. If obtaining spare parts was so important that forced Khomeini to turn to Israel, why had he not released the hostages earlier to get Iran's military equipment and spare parts from the U.S. that were already paid for? If Khomeini had released the hostages, the embargo would have been lifted and there would have been no need to turn to Israel!

2) The information regarding Soviet intention to deliver T-72 tanks to Iraq is totally false. It neither concures with the development of the war, (from November 1980 until two months before the cease fire, Iranian armed forces have always had the upper hand over the Iraqi forces), nor with Soviet policy at the time. At the time, the Soviets were proposing to us "an agreement on the security of the Persian Gulf". Soviet Ambassador officially informed us that they had told the Iraqis they would not deliver any arms to Iraq because of their aggression and in turn they were prepared to give us defensive arms.
September 22, 1980 Column; '... Soviet Ambassador came...we did have an extensive discussion. He gave me the transcripts of Saddam Hussein deputy's meeting with Soviet officials in Moscow. In this meeting Soviet officials told the Iraqis of their disapproval of the aggression, and asked them to end their offensive war. In this meeting, as well as in the others that pursued, Soviet Ambassador emphasized that Soviet Union will not deliver any arms to Iraq.'
October 10,1980 Column; '... Algerian Ambassador...told me that Suvet Ambassador in Algiers has told Algerian govenment that they will not give any arms to Iraq...'
October 29, 1980 Column; '...Soviet Ambassador...informed me that Tariq Aziz was in Moscow and asked the Soviets for arms, and his request was rejected. He (the Sovet Ambassador) said that it was the Americans, and not the Soviets, that persuaded Iraq to attack you.'

Moreover, at the time, Iran was not in the position to risk the F-4 fighters against Iraqi tanks. We did posses anti tank helicopters; and if we needed any spare parts, the need for helicopter spare parts, as well as anti tank missiles,

were much greater and vital than the spare parts for F-4's That is why I had repeatedly asked the Italian Ambassador for these helicopter spare parts, and he had kept on telling me, "... Release the hostages and we will give you (the spare parts) immediately...". Most important of all, however, was the fact that Iraq had an inventory of tanks many times as large as ours. In a letter to Khomeini, on November 5, 1980, I stated the number of our tanks in the Khuzestan front as

I stated the number of our tanks in the Khuzestan front as large as 335. Thereafter, due to the shortage of spare parts as well as damages, their numbers had declined even further. Therefore, if there was any "intention" of keeping the "Military Ballance", Americans should have shipped helicopter and tanks spare parts, as well as anti tank missiles, rather than F-4 spare parts.

Lastly, in June 1981, one week before the "Creeping Coup d'Etat", ("Coup"), Iran had prepared three military plans, to be executed immediately, in case Saddam Hussein did not agree with the proposals of the foreign ministers of four members of the Non-Aligned Conference, which proves that Iran was on the offensive, and thus was in no need of F-4 spare parts to "maintain the military ballance" against T-72 tanks!!!

3) Both Khomeini and the Supreme Defense Council, (SDC), had accepted the proposal by the four Non-Aligned foreign ministers. Saddam Hussein had agreed to it as well. The foreign ministers were to return to Tehran on June 8, 1981. However, they were told not to come even before I was deposed as the Commander In Chief of the Armed Forces at 11 P.M. on June 7, 81.
Leaders of the Islamic Republic Party, (IRP), knew that the last phase of the "Coup" was going to be executed by Khomeini in the days to come. And if the four foreign ministers had come to Tehran, as scheduled, and announced the end of the war, there would have been neither any possibility for the "Coup", nor any need for Khomeini to turn to Israel.

Consequently, on June 16, 1981, I wrote an open letter, which was read on the floor of Majlis, by Mr. Ahamd Ghazanfarpour, maember of Majlis (because it was censored on radio, TV, and all newsprints), where I told the Iranian people, ...I have told you, Iranian people, that they are executing a "Creeping Coup d'Etat", and I have described it's different phases. So far they have proceeded the way I have explained, and now they are trying to complete the last phase, to depose me from the presidency and to take my life. If they are succesful in these efforts, the following developments shall take place:...b) the imposed war, if prolonged, will result in the complete depletion of both

implementation of U.S. policies in the Middle East will be prepared. And as you have witnessed in the case of hostages, they would be compelled to submitt to the shameful conditions of surrender.In the war... You should be informed that the four foreign ministers ... brought a proposal that Iraqi forces will pullback into the Iraqi territory... and a non-militarized zone will be created on both sides (of the border), and all differences shall be resolved through diplomatic channels...The foreign ministers were to return (to Tehran) on June 8: However they changed their schedule due to the situation in our Country. Today we are in the best military position we have ever been since the start of war. I was of the opinion that, if they let us alone, with a number of spectacular victories in the fronts, in addition to winning the war, we would have disrupted the U.S. plans in the region... This is the state of our military situation, ... we shall see how this situation will change...Sisters and Brothers... If, before it is too late, you donot resist this despotism and get rid of it before it has fully-consolidated itself, this dictatorship will be completely connected with foreign domination, and eventually what I have predicted (above), and even worse, will happen to you.'

Therefore, not only we were at our strongest position, since the start of the war, we were at the brink of peace. They staged the "Coup" in order to continue the war. Khomeini was decieved to believe that the U.S., British, and Israeli governments wanted the defeat of Iraq, as he did.

Before June 1981, Arafat reasoned with Khomeini that it is a deception and their real objective is to prolong the war, rather than an Iranian victory. Khomeini did not listen.

b) Israeli motives:

1) In the first nine months of the war, while I was the President, and Gholtzadeh was the Foreign Minister, there was no threat to the "remaining Jewish community" in Iran. In fact most the arm dealers we dealt with were Jews. And it is a lie to claim that Israel's motive was to ...protect ... Jewish community in Iran".

2) As for "Peripheral Strategy", the fact of the matter is that it had been implemented before the Revolution, while the Shah was in power, and it was abandoned with the victory of the Revolution. In fact Begin, the Prime Minister of Israel, had repeatedly stated that ... Israel is the major loser of Iranian revolution... and "... we must destroy this revolution by internal, as well as external, wars. Prolonging

the Iran-Iraq war is to Israel's advantage, and we should do everything we can for this war not to come to an end.
On several occasion, in the Columns, I discussed Begin's position, and argued that, accordingly, bringing the war to an end, as expeditiously as possible, was of greatest advantage to our Country.

Recently, Mrs. Thatcher's Minister of Defense has testified, under oath, that, (paraphrasing), "prolonging the Iran-Iraq war was to the advantage of Britain as well as the west, and we facilitated the means for it's prolongation".

Was deposing the Iranian President, who was against the continuation of the war, one of these means? And how about giving to both sides of the conflict sufficient amount of arms to ensure a victory for neither one?

Right after the Reagan victory in the election, all of a sudden, the faction who made the 'Deal' with Reagan camp, started to advocate for a long war. That is why from that day on, I had continuously argued, in the Column, against prolonging the war and compared the positions of those who advocated it with those of Israel and the U.S., and I warned against them. On November 7, 1980, Column, I accused Reagan's faction to cause the war, and emphasized that continuing the war is to the advantage of the U.S.

In those days, neither the British Defense Minister had testified, nor the transcript of U.S. Ambassador's meeting with Saddam Hossein had been published yet!!!

Therefore, the fact, that Khomeini, Reagan, Tatcher, and Begin, all concorded on, i.e. prolongation of the war, is a much stronger explanation of what has actually happened, rather than newly created, sporadic, and unrelated explanations and events put together in the Report to cover up the truth;

c) Change of U.S. policy towards Iran in July, 1981:

The Report totally disregards the fact that just prior to the change in U.S. policy in July 1981, there was a "Coup d'Etat" in Iran which resulted in the fall of a President who was running the war until June 10, 1981. Was it just an ACCIDENT that this change in policy, and the flow of arms to Iran, took place right after his fall from presidency? Most definitely not; Because he was vehemently against prolonging the war, and one of the reasons for the "Coup" was to be able

decided in July 1981, Gali activities for resolving the problem had restarted in this month), "using the hostages ... agaist Carter" would be in an uncompromising contradiction with another part of the Report; i.e. Khomeini could not have authorized his nephew to negotiate with the representatives of Carter Administration; therefore, the Madrid meeting was actually with the emissaries of the Reagan camp.

* If the need for military equipments and spare parts were so serious that forced Khomeini to accept the danger of turning to Israel,(I shall explain why this constituted the greatest danger to him!) why did he not take the easier path and insisted on getting what "Iran had already paid for" from the Carter Administration? why "Tabatabaii did not press the matter", as Warren Christopher said, (page 30 of the Report), or why did " the Iranians let the arms issue drift out of the talks", as Rober Owen said,(page 30 of the Report)?

LLoyd Cutler, former White House Counsel, "theorised " that a deal with the Carter Administration before then would have exposed them to domestic attacks from the far-right mullahs and from Abulhassan Bani-Sadr... who strenuously opposed the deal the Carter Administration concluded in January 1981, calling it execcively favorable to the U.S.".

Had the investigation asked me in writing,(since they claim they had limited traveling authorization), I would have told them that I opposed the deal with the Carter Administration because:

i) They had not gotten the release of military equipments and spare parts, or for that matter any arms or spare parts;

ii) They did not have all our assets released; and in fact they have inflicted a great loss to our Country; and I regarded the agreement, as Warren Christopher does,(p.37 of the Report), a major concession by Iran"; and

iii) Signing the "Algerian Declaration" was in violation of the Constitution.

And based on these three points I filed a law suit against Rajaii, the Prime Minister, as well as Behzad Nabavi, Minister of State who signed the "Declaration". Therefore it is a lie to "theorise" that they did not ask the Carter Administration for arms and spare parts because they were concerned about Bani-Sadr's opposition. In fact if they had any concern about Bani Sadr's objection, not only they had to insist on the arms and spare parts, they would not have delayed the release of hostages.

both in letters to Khomeini, as well as in the Column, I voiced my objections repeatedly.

* On October 10,1980, the same day the negotiation with Carter Administration collapsed until the election day, by ACCIDENT again, Khomeini, in clear violation of the Constitution, appointed the Speaker of the Majlis, and two members of the Majlis, to the SDC. By ACCIDENT again, in the first meeting of the SDC, one of them suggested that the Chairman of the SDC be selected from the members of the SDC, again in clear violation of the Constitution that appoints the President of the Republic as Chairman. When he made the suggestion, I asked him if they are making the preparation for a "Deal" with Carter's rivals? In this meeting Rafsanjani, Khamenei,and Rajaii promissed to resolve the hostage problem in a manner that all obstacles be removed for our armed forces to be able to meet they needs from foreign sources. In January 11, Column, ... I reminded them that on the first or second meeting of the SDC they had promissed to provide outside sources for our military needs; so far there is no sign that we could...".

* Prior to October 10,1980, in response to the letter of U.S. Congress to the members of the Majlis, Rafsanjani called the "blocking of military equipment and the spare part..." one of the eight major U.S. crimes against Iran. Later, on October 22, and 23, 1980, Rafsanjani, and Rajaii, changed their position suddenly, and announced that Iran does not need American arms. This change in their position was not because of Bani-Sadr's opposition to the so called "Algerian Declration; not only Bani Sadr was vehmently for recieving the arms, as well as ending the war, but there was not even any agreement with the Carter Administration yet.

Moreover, the two factions that surfaced after the "Coup", far right mullahs and the "moderates", belonged to the same faction, contrary to Cottler's erroneous "theory". Beneshti, Rafsanjani, and others, had repeatedly said, both in the Majlis, as well as in the media, that we are all together in "the line Imam", Bani Sadr is on the opposite side and against "the line of Imam".

Thus it is clear that if Khomeini was in favor of "using the hostages ... against Carter" in July 1980;

i) He could not have sent his nephew to negotiate with Carter Administration;

ii) He did not ask for military equipment and spare parts from Carter Administration because of the opposition of Bani Sadr and others.

In this case, what was his reasons for turning to Israel for arms, instead of asking the Carter Administration?

App. 0379

July 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 W. Casey New York Metro W. Casey London	2 W. Casey London CYRUS HASHEMI IN LONDON AND MADRID	3 W. Casey London CYRUS HASHEMI IN LONDON	4 W. Casey Paris W. Casey London CYRUS HASHEMI IN LONDON (LIKELY)	5 W. Casey Paris W. Casey New York Metro W. Casey Wash. D. C. Metro CYRUS HASHEMI TO NEW YORK FROM LONDON
6 W. Casey New York Metro	7 W. Casey Wash. D. C. Metro	8 W. Casey Wash. D. C. Metro W. Casey Detroit W. Casey Los Angeles Metro	9 W. Casey Los Angeles Metro	10 W. Casey Los Angeles Metro	11 W. Casey Detroit Metro	12
13	14 W. Casey Wash. D. C. Metro GOP CONVENT-ION, DETROIT, MICHIGAN	15 W. Casey Detroit Metro GOP CONVENT-ION, DETROIT, MICHIGAN	16 W. Casey Detroit Metro GOP CONVENT-ION, DETROIT, MICHIGAN	17 GOP CONVENT-ION, DETROIT, MICHIGAN	18	19
20 W. Casey New York Metro	21 W. Casey Wash. D. C. Metro	22 W. Casey Wash. D. C. Metro W. Casey Los Angeles Metro	23 W. Casey Wash. D. C. Metro	24 W. Casey Wash. D. C. Metro	25 W. Casey Los Angeles Metro CYRUS HASHEMI IN NEW YORK	26 W. Casey Los Angeles Metro CYRUS HASHEMI IN CONN.
27 W. Casey San Francisco Metro W. Casey Los Angeles Metro CYRUS HASHEMI IN CONN.	28 W. Casey London Metro CYRUS HASHEMI IN NEW YORK/ CONN.	29 W. Casey London Metro W. Casey New York Metro W. Casey Wash. D. C. Metro CYRUS HASHEMI IN NEW YORK	30 W. Casey Wash. D. C. Metro CYRUS HASHEMI IN NEW YORK	31 W. Casey Wash. D. C. Metro CYRUS HASHEMI IN WILTON		

App. 0380

August 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 W. Casey Los Angeles Metro	2 W. Casey New York Metro
3	4 W. Casey Wash. D. C. Metro	5 W. Casey Wash. D. C. Metro W. Casey New York City Metro	6 W. Casey Wash. D. C. Metro	7 W. Casey Wash. D. C. Metro W. Casey New York City Metro	8 W. Casey New York City Metro CYRUS HASHEMI IN NY/CONN.	9
10	11 CYRUS HASHEMI NEW YORK TO LONDON	12 W. Casey Chicago Metro W. Casey Wash. D. C. Metro CYRUS HASHEMI IN LONDON	13 W. Casey Wash. D. C. Metro CYRUS HASHEMI IN LONDON	14 W. Casey Wash. D. C. Metro CYRUS HASHEMI IN LONDON	15 W. Casey Wash. D. C. Metro CYRUS HASHEMI IN NEW YORK	16
17	18 W. Casey Wash. D. C. Metro	19 W. Casey Wash. D. C. Metro	20 W. Casey Columbus W. Casey Wash. D. C. Metro	21 W. Casey Wash. D. C. Metro	22 W.Casey Wash. D. C. Metro	23
24 W. Casey Los Angeles Metro	25 W. Casey Wash. D. C. Metro W. Casey Los Angeles Metro	26 W. Casey Wash. D. C. Metro W. Casey New York City Metro	27 W. Casey Wash. D. C. Metro W. Casey New York City Metro	28 W. Casey Wash. D. C. Metro W. Casey Chicago Metro	29 W. Casey Wash. D. C. Metro	30 W. Casey Wash. D. C. Metro W. Casey New York Metro
31 W. Casey New York City Metro						

App. 0381

September 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	3 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	4 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	5 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	6 W. Casey Wash. D. C. Metro
7	8 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	9 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	10 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	11 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	12 CYRUS HASHEMI BELIEVED TO BE IN LONDON W. Casey Wash. D. C. Metro	13 W. Casey Wash. D. C. Metro
14 W. Casey Wash. D. C. Metro W. Casey Garden City	15 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro W. Casey New York City Metro	16 CYRUS HASHEMI IN LONDON W. Casey New York City Metro	17 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	18 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	19 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	20 W. Casey Wash. D. C. Metro W. Casey New York Metro
21 CYRUS HASHEMI ARRIVES IN NEW YORK FROM LONDON W. Casey Wash. D. C. Metro	22 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	23 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	24 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro W. Casey New York City Metro	25 CYRUS HASHEMI IN NEW YORK W. Casey Wash. D. C. Metro	26 CYRUS HASHEMI IN NEW YORK IN AM LEAVES FOR LONDON W. Casey Wash. D. C. Metro	27 CYRUS HASHEMI BELIEVED TO BE IN LONDON W. Casey Short Hills, N.J.
28 CYRUS HASHEMI BELIEVED TO BE IN LONDON	29 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	30 CYRUS HASHEMI BELIEVED TO BE IN LONDON W. Casey Wash. D. C. Metro W. Casey New York City Metro				

App. 0382

October 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1 CYRUS HASHEMI IN LONDON W. Casey New York City Metro	2 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	3 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	4 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro
5 W. Casey Wash. D. C. Metro	6 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	7 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	8 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	9 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro W. Casey Los Angeles Metro	10 CYRUS HASHEMI IN LONDON W. Casey Los Angeles Metro	11 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro W. Casey Los Angeles Metro
12	13 CYRUS HASHEMI BELIEVED TO BE IN LONDON W. Casey Wash. D. C. Metro W. Casey New York City Metro	14 CYRUS HASHEMI ARRIVES IN NEW YORK FROM LONDON IN AM W. Casey Wash. D. C. Metro	15 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	16 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro W. Casey New York City Metro	17 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro W. Casey New York City Metro	18 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro
19 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	20 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro W. Casey Cincinnati, Oh	21 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	22 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	23 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	24 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro W. Casey New York City Metro	25 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro
26 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	27 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT W. Casey Wash. D. C. Metro	28 FOR LONDON CYRUS HASHEMI LEAVES NEW YORK W. Casey Wash. D. C. Metro W. Casey Cleveland, Oh	29 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro W. Casey Cleveland, Oh	30 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	31 CYRUS HASHEMI IN LONDON W. Casey Wash. D. C. Metro	

App. 0383

November 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1 CYRUS HASHEMI BELIEVED TO BE IN LONDON
2	3 CYRUS HASHEMI IN LONDON	4 RH CYRUS HASHEMI IN LONDON	5 CYRUS HASHEMI BELIEVED TO BE IN LONDON	6 CYRUS HASHEMI BELIEVED TO BE IN LONDON	7 CYRUS HASHEMI IN LONDON	8 CYRUS HASHEMI IN CONNECTICUT
9 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	10 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	11 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	12 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	13 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	14 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	15 CYRUS HASHEMI IN CONNECTICUT CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
16	17 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT CYRUS HASHEMI IN CONNECTICUT	18 CYRUS HASHEMI IN NEW YORK CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	19 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT CYRUS HASHEMI IN NEW YORK	20 CYRUS HASHEMI IN NEW YORK CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	21 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT CYRUS HASHEMI IN NEW YORK	22 CYRUS HASHEMI IN CONNECTICUT CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
23 CYRUS HASHEMI BELIEVED TO LEAVE NEW YORK FOR LONDON IN AM	24 CYRUS HASHEMI IN LONDON	25 CYRUS HASHEMI IN LONDON	26 CYRUS HASHEMI IN LONDON	27	28 CYRUS HASHEMI IN LONDON	29
30						

App. 0384

December 1980
Casey and Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 CYRUS HASHEMI IN LONDON	2 CYRUS HASHEMI IN LONDON	3 CYRUS HASHEMI BELIEVED TO BE IN LONDON	4 CYRUS HASHEMI IN LONDON	5 CYRUS HASHEMI IN LONDON	6
7	8 CYRUS HASHEMI IN LONDON	9 CYRUS HASHEMI IN WASHINGTON, D.C.	10 CYRUS HASHEMI IN NEW YORK	11 CYRUS HASHEMI IN NEW YORK	12 CYRUS HASHEMI IN NEW YORK	13
14	15 CYRUS HASHEMI IN NEW YORK	16 CYRUS HASHEMI IN NEW YORK	17 CYRUS HASHEMI IN NEW YORK TO WASHINGTON, D.C. IN EVENING	18 CYRUS HASHEMI LEAVES NEW YORK FOR LONDON	19 CYRUS HASHEMI IN LONDON	20
21 CYRUS HASHEMI IN LONDON	22 CYRUS HASHEMI IN LONDON	23 CYRUS HASHEMI IN LONDON CYRUS HASHEMI IN NEW YORK	24 CYRUS HASHEMI IN LONDON	25 CYRUS HASHEMI IN LONDON, 0837 EST	26 CYRUS HASHEMI IN NEW YORK	27
28	29 CYRUS HASHEMI IN NEW YORK	30 CYRUS HASHEMI LEAVES FOR LONDON	31 CYRUS HASHEMI IN LONDON			

App. 0385

July 1980
Casey Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 New York City/ London, England: Allen & Jolis depositions; Allen & WJC documents.	2 London, England: Allen & Jolis depositions; Allen & WJC documents.	3 London, England: Allen & Jolis depositions; Allen & WJC documents.	4 London, England/ Paris, France: Allen & Jolis depositions; Allen & WJC documents.	5 Paris, France/New York City/Wash., D.C.: Allen & Jolis depositions; WJC documents; Dental records; AMEX receipt.
6 Long Island, New York: Invoice from The Creek Country Club; WJC secretary's documents.	7 Arlington, Va: WJC documents.	8 Washington, D.C./ Detroit, Mi/Los Angeles, Ca: Invoice from Metropolitan Club; WJC documents.	9 Los Angeles, Ca: WJC documents.	10 Los Angeles, Ca: WJC documents.	11 Detroit, Mi: AMEX receipt.	12
13	14 Washington, D.C./ Detroit, Mi: AMEX receipt; Associated Press report. REPUBLICAN CONVENTION	15 Detroit, Mi: WJC documents; Associated Press report. REPUBLICAN CONVENTION	16 Detroit, Mi: Newsweek Article REPUBLICAN CONVENTION	17 Detroit, Mi: REPUBLICAN CONVENTION	18	19
20 Long Island, New York: Invoice from The Creek Country Club.	21 Arlington, Va: AMEX receipt.	22 Arlington, Va/ Washington, D.C. /Los Angeles, Ca: AMEX receipt; WJC documents.	23 Arlington, Va/Wash. , D.C.: AMEX receipt.	24 Washington, D.C.: News reports of accepting $29.4 million check from U.S. Treasury; WJC documents.	25 Los Angeles, Ca/ Bohemian Grove, Ca: Trent deposition; Smith interview; Bohemian Grove invoice.	26 Bohemian Grove, Ca: Trent deposition; Smith interview.
27 Bohemian Grove, Ca/San Francisco, Ca: Trent deposition.	28 London, England: Murray, Jones, Chadwick, Funk & Dalleck Interviews	29 London, England/ New York City/ Wash., D.C.: Murray & Chadwick Interviews	30 Arlington, Va: WJC documents; New York Times article.	31 Arlington, Va: WJC documents.		

App. 0386

August 1980
Casey Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 Los Angeles, Ca: Allen deposition; WJC documents.	2 Long Island, New York: Allen deposition & documents.
3	4 Arlington, Va: Allen deposition & documents.	5 New York City/ Arlington, Va: Dental records; WJC documents.	6 Arlington, Va: AMEX receipt; WJC & J. Baker documents.	7 Arlington, Va/New York City: AMEX receipt; WJC & J. Baker documents.	8 New York City/ Long Island, New York: Dental records; AMEX receipt; WJC documents.	9
10 St. Charles, Il: Fahrenkopf/Biebel interviews.	11 St. Charles, Il: Fahrenkopf/Biebel interviews; WJC documents. DEMOCRATIC - CONVENTION, NEW YORK CITY	12 St. Charles Il/Wash.: T. Casey depo; Fahrenkopf/ Biebel Intervws DEMOCRATIC - CONVENTION, NEW YORK CITY	13 Arlington, Va: WJC documents. DEMOCRATIC - CONVENTION, NEW YORK CITY	14 Arlington, Va/ Washington, D.C: AMEX recpt; WJC docs; Tom Casey depo. DEMOCRATIC - CONVENTION, NEW YORK CITY	15 Arlington, Va: AMEX receipt; WJC & J. Baker documents.	16
17	18 Arlington, Va: WJC documents.	19 Arlington, Va: AMEX receipt; WJC & J. Baker documents.	20 Columbus, Oh/ Arlington, Va: WJC & J. Baker documents.	21 Arlington, Va: WJC & J. Baker documents.	22 Arlington, Va/Wash. , D.C.: AMEX receipt; WJC documents.	23
24 Los Angeles, Ca: AMEX receipt.	25 Los Angeles, Ca/ Arlington, Va/ Wash., D.C.: New York Times article; WJC & J. Baker documents.	26 Arlington, Va/ Washington, D.C. /New York City: Allen deposition & documents; WJC documents; Kramer Books invoice; EAL Shuttle receipt.	27 New York City/ Wash., D.C.: EAL Shuttle receipt; WJC & J. Baker documents.	28 Arlington, Va/ Washington, D.C. /Chicago, Il: AMEX receipt; WJC & J. Baker documents.	29 Arlington, Va/ Washington, D.C. /Middleburg, Va: Associated Press report; WJC documents. Tom Casey deposition.	30 Arlington, Va/Long Island, New York: Invoice from The Creek Country Club; WJC documents.
31 Long Island, New York: Allen deposition & documentation.						

App. 0387

September 1980
Casey Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2 Arlington, Va: Reagan/Bush Campaign documents. Allen deposition & documents; WJC & J. Baker docs.	3 Arlington, Va: Allen deposition & documents; WJC documents; AMEX receipt; J. Baker documents.	4 Arlington, Va: WJC documents; Washington Post Articles; J. Baker documents.	5 Arlington, Va/ Middleburg, Va: WJC & J. Baker documents.	6 Arlington, Va/ Washington, D.C. : WJC documents.
7	8 Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC & J. Baker documents.	9 Arlington, Va/ Washington, D.C. /Richmond, Va: WJC & J. Baker documents.	10 Arlington, Va/Wash. , D.C.: Invoice from Metropolitan Club; WJC documents; Reagan/Bush Campaign documents; J. Baker documents	11 Arlington, Va/Great Falls, Va: AMEX receipt; WJC documents; Reagan/Bush Campaign documents.	12 Arlington, Va/ Crystal City, Va/ Wash., D.C.: Reagan/Bush Campaign documents; WJC documents. J. Baker documents.	13 Arlington, Va/ Middleburg, Va/ Wash., D.C.: Reagan/Bush Campaign documents; WJC documents. J. Baker documents.
14 Arlington Va/ Garden City, N.J. : Reagan/Bush Campaign documents; WJC documents.	15 Arlington, Va/ Washington, D.C. /New York City: AMEX receipt; WJC documents; Reagan/Bush Campaign documents.	16 New York City: Associated Press report; WJC documents.	17 Arlington, Va/Falls Church, Va/ Wash., D.C.: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	18 Arlington, Va/ Middleburg, Va: AMEX receipt; Reagan/Bush Campaign documents. WJC & J. Baker documents.	19 Arlington, Va/ Middleburg, Va: New York Times report; Reagan/ Bush Campaign documents; WJC & J. Baker documents.	20 Arlington, Va/ Middleburg, Va/ Long Island, NY: Invoice from The Creek Country Club; WJC & J. Baker documents.
21 Baltimore, Md: Christian Science Monitor Report (Anderson debate). J. Baker documents.	22 Arlington, Va: Christian Science Monitor report; WJC documents; Reagan/Bush Campaign documents; J. Baker documents	23 Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC & J. Baker documents.	24 Mineola, New York/ Arlington, Va: Long Island Lighting Company docs: WJC & J. Baker docs.; Reagan/Bush Campaign documents.	25 Arlington, Va: Reagan/Bush Campaign documents; WJC & J. Baker documents.	26 Arlington, Va/Wash. , D.C.: Reagan/Bush Campaign documents; WJC documents; Kramer Books invoice.	27 Short HIlls, N.J.: WJC documents.
28	29 Arlington, Va/Wash. , D.C.: Reagan/Bush Campaign documents; WJC & J. Baker documents; Invoice from the Metropolitan Club.	30 Arlington, Va/New York City: Reagan/Bush Campaign documents; WJC, J. Baker & Rogers & Wells docs.; Associated Press report.				

App. 0388

October 1980
Casey Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1 New York City: Dental records; WJC documents; PR Newswire report.	2 Arlington, Va: Reagan/Bush Campaign, WJC & J. Baker documents.	3 Arlington, Va: Reagan/Bush Campaign, WJC & J. Baker documents.	4 Arlington, Va: Reagan/Bush Campaign, WJC & J. Baker documents.
5 Arlington, Va/Wash., D.C.: AMEX receipt; Reagan/Bush Campaign documents.	6 Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	7 Arlington, Va: Reagan/Bush Campaign documents; WJC documents.	8 Arlington, Va/Wash., D.C.: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	9 Arlington, Va/Los Angeles, Ca: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	10 Los Angeles, Ca: FBI documents; Reagan/Bush Campaign documents; WJC documents.	11 Los Angeles, Ca/ Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.
12	13 Arlington, Va/New York City: Associated Press report; Reagan/ Bush Campaign documents; WJC documents.	14 Arlington, Va: Reagan/Bush Campaign documents; WJC & J. Baker documents.	15 Arlington, Va: AMEX receipts; Reagan/Bush Campaign documents; WJC documents; Associated Press report.	16 Arlington, Va/New York City: Reagan/Bush Campaign documents; WJC documents; Al Smith Dinner documents.	17 New York City/ Arlington, Va: AMEX receipt; New York Times report; Reagan/ Bush Campaign documents; WJC documents.	18 Arlington, Va: Lawrence Casey deposition; Reagan/Bush Campaign documents; J. Baker documents.
19 Arlington, Va: Lawrence Casey deposition.	20 Arlington, Va/ Washington, D.C. /Cincinnati, Oh: AMEX receipt; Frontline report; WJC documents.	21	22 Arlington, Va: Reagan/Bush Campaign documents; WJC & J. Baker documents.	23 Arlington, Va/ Alexandria, Va: Reagan/Bush Campaign documents; WJC & J. Baker documents.	24 Arlington, Va/New York City: AMEX receipts; WJC & J. Baker documents.	25 Arlington, Va/ Washington, D.C. /Middleburg, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC & J. Baker documents.
26 Arlington, Va: Reagan/Bush Campaign documents; J. Baker documents	27 Arlington, Va: Reagan/Bush Campaign documents; WJC & J. Baker documents.	28 Arlington, Va/ Cleveland, Oh: Reagan/Bush Campaign documents; UPI report; Presidential debate	29 Cleveland, Oh/ Arlington, Va: WJC documents; United Press International report; William VanCleave documents.	30 Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	31 Arlington, Va: AMEX receipt; Reagan/Bush Campaign documents; WJC documents.	

App. 0389

July 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 NO ALLEGED MEETINGS ON THIS DATE	2 CYRUS HASHEMI LONDON TO MADRID AND BACK (MEETING WITH PASSINDIDEH)	3 CYRUS HASHEMI IN LONDON	4 CYRUS HASHEMI IN LONDON (LIKELY)	5 CYRUS HASHEMI RETURNED TO NEW YORK FROM LONDON
6 NO ALLEGED MEETINGS ON THIS DATE	7 NO ALLEGED MEETINGS ON THIS DATE	8 NO ALLEGED MEETINGS ON THIS DATE	9 NO ALLEGED MEETINGS ON THIS DATE	10 NO ALLEGED MEETINGS ON THIS DATE	11 NO ALLEGED MEETINGS ON THIS DATE	12 NO ALLEGED MEETINGS ON THIS DATE
13 NO ALLEGED MEETING ON THIS DATE	14 NO ALLEGED MEETING ON THIS DATE	15 NO ALLEGED MEETING ON THIS DATE	16 NO ALLEGED MEETING ON THIS DATE	17 NO ALLEGED MEETING ON THIS DATE	18 NO ALLEGED MEETING ON THIS DATE	19 NO ALLEGED MEETING ON THIS DATE
20 NO ALLEGED MEETING ON THIS DATE	21 NO ALLEGED MEETING ON THIS DATE	22 NO ALLEGED MEETING ON THIS DATE	23 NO ALLEGED MEETING ON THIS DATE	24 NO ALLEGED MEETING ON THIS DATE	25 CYRUS HASHEMI IN NEW YORK	26 CYRUS HASHEMI IN CONN.
27 CYRUS HASHEMI IN CONN.	28 CYRUS HASHEM IN NEW YORK/ CONN.	29 CYRUS HASHEMI IN NEW YORK	30 CYRUS HASHEMI IN NEW YORK	31 CYRUS HASHEMI IN WILTON		

App. 0390

62-366 - 93 - 15

September 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2 CYRUS HASHEMI IN NEW YORK	3 CYRUS HASHEMI IN NEW YORK	4 CYRUS HASHEMI IN NEW YORK	5 CYRUS HASHEMI IN NEW YORK	6
7	8 CYRUS HASHEMI IN LONDON	9 CYRUS HASHEMI IN LONDON	10 CYRUS HASHEMI IN LONDON	11 CYRUS HASHEMI IN LONDON	12 CYRUS HASHEMI BELIEVED TO BE IN LONDON	13
14	15 CYRUS HASHEMI IN LONDON	16 CYRUS HASHEMI IN LONDON	17 CYRUS HASHEMI IN LONDON	18 CYRUS HASHEMI IN LONDON	19 CYRUS HASHEMI IN LONDON	20
21 CYRUS HASHEMI ARRIVES IN NEW YORK FROM LONDON	22 CYRUS HASHEMI IN NEW YORK	23 CYRUS HASHEMI IN NEW YORK	24 CYRUS HASHEMI IN NEW YORK	25 CYRUS HASHEMI IN NEW YORK	26 CYRUS HASHEMI IN NEW YORK IN AM LEAVES FOR LONDON	27 CYRUS HASHEMI BELIEVED TO BE IN LONDON
28 CYRUS HASHEMI BELIEVED TO BE IN LONDON	29 CYRUS HASHEMI IN LONDON	30 CYRUS HASHEMI BELIEVED TO BE IN LONDON				

App. 0391

October 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1 CYRUS HASHEMI IN LONDON	2 CYRUS HASHEMI IN LONDON	3 CYRUS HASHEMI IN LONDON	4 CYRUS HASHEMI IN LONDON
5	6 CYRUS HASHEMI IN LONDON	7 CYRUS HASHEMI IN LONDON	8 CYRUS HASHEMI IN LONDON	9 CYRUS HASHEMI IN LONDON	10 CYRUS HASHEMI IN LONDON	11 CYRUS HASHEMI IN LONDON
12	13 CYRUS HASHEMI BELIEVED TO BE IN LONDON	14 CYRUS HASHEMI ARRIVES IN NEW YORK FROM LONDON IN AM	15 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	16 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	17 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	18 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
19 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	20 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	21 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	22 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	23 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	24 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	25 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
26 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	27 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	28 CYRUS HASHEMI LEAVES NEW YORK FOR LONDON	29 CYRUS HASHEMI IN LONDON	30 CYRUS HASHEMI IN LONDON	31 CYRUS HASHEMI IN LONDON	

App. 0392

November 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1 CYRUS HASHEMI BELIEVED TO BE IN LONDON
2	3 CYRUS HASHEMI IN LONDON	4 CYRUS HASHEMI IN LONDON	5 CYRUS HASHEMI BELIEVED TO BE IN LONDON	6 CYRUS HASHEMI BELIEVED TO BE IN LONDON	7 CYRUS HASHEMI IN LONDON	8 CYRUS HASHEMI IN CONNECTICUT
9 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	10 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	11 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	12 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	13 CYRUS HASHEMI IN NEW YORK OR CONNRCTIC-UT	14 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	15 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
16	17 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	18 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	19 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	20 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	21 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT	22 CYRUS HASHEMI IN NEW YORK OR CONNECTICUT
23 CYRUS HASHEMI BELIEVED TO LEAVE NEW YORK FOR LONDON IN AM	24 CYRUS HASHEMI IN LONDON	25 CYRUS HASHEMI IN LONDON	26 CYRUS HASHEMI IN LONDON	27	28 CYRUS HASHEMI IN LONDON	29
30						

App. 0393

December 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 CYRUS HASHEMI IN LONDON	2 CYRUS HASHEMI IN LONDON	3 CYRUS HASHEMI BELIEVED TO BE IN LONDON	4 CYRUS HASHEMI IN LONDON	5 CYRUS HASHEMI IN LONDON	6
7	8 CYRUS HASHEMI IN LONDON	9 CYRUS HASHEMI IN WASHINGTON, D.C.	10 CYRUS HASHEMI IN NEW YORK	11 CYRUS HASHEMI IN NEW YORK	12 CYRUS HASHEMI IN NEW YORK	13
14	15 CYRUS HASHEMI IN NEW YORK	16 CYRUS HASHEMI IN NEW YORK	17 WASHINGTON, D.C. IN EVENING CYRUS HASHEMI IN NEW YORK TO	18 CYRUS HASHEMI LEAVES NEW YORK FOR LONDON	19 CYRUS HASHEMI IN LONDON	20
21	22 CYRUS HASHEMI IN LONDON	23 CYRUS HASHEMI IN LONDON	24 CYRUS HASHEMI IN LONDON	25 CYRUS HASHEMI IN LONDON, 0837 EST	26 CYRUS HASHEMI IN NEW YORK	27
28	29 CYRUS HASHEMI IN NEW YORK	30 CYRUS HASHEMI LEAVES FOR LONDON	31 CYRUS HASHEMI IN LONDON			

App. 0394

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

August 1980
Unclassified Hashemi Summary

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 NO ALLEGED MEETING ON THIS DATE	2 NO ALLEGED MEETING ON THIS DATE
3 NO ALLEGED MEETING ON THIS DATE	4 NO ALLEGED MEETING ON THIS DATE	5 NO ALLEGED MEETING ON THIS DATE	6 NO ALLEGED MEETING ON THIS DATE	7 NO ALLEGED MEETING ON THIS DATE	8 CYRUS HASHEMI IN NEW YORK/ CONN.	9 CYRUS HASHEMI WHEREABOU-TS UNKNOWN
10 CYRUS HASHEMI IN CONN.	11 CYRUS HASHEMI FROM NEW YORK TO LONDON	12 CYRUS HASHEMI IN LONDON	13 CYRUS HASHEMI IN LONDON	14 CYRUS HASHEMI IN LONDON	15 CYRUS HASHEMI IN NEW YORK	16 CYRUS HASHEMI WHEREABOU-TS NOT KNOWN
17 CYRUS HASHEMI WHEREABOU-TS NOT KNOWN	18 NO ALLEGED MEETING ON THIS DATE	19 NO ALLEGED MEETING ON THIS DATE	20 NO ALLEGED MEETING ON THIS DATE	21 NO ALLEGED MEETING ON THIS DATE	22 NO ALLEGED MEETING ON THIS DATE	23 NO ALLEGED MEETING ON THIS DATE
24 NO ALLEGED MEETING ON THIS DATE	25 NO ALLEGED MEETING ON THIS DATE	26 NO ALLEGED MEETING ON THIS DATE	27 NO ALLEGED MEETING ON THIS DATE	28 NO ALLEGED MEETING ON THIS DATE	29 NO ALLEGED MEETING ON THIS DATE	30 NO ALLEGED MEETING ON THIS DATE
31 NO ALLEGED MEETING ON THIS DATE						

APP. 0400A

CURTIS, MALLET-PREVOST, COLT & MOSLE

ATTORNEYS AND COUNSELLORS AT LAW

101 PARK AVENUE

NEW YORK, N.Y. 10178-0061

TELEPHONE: 212-696-6000

[illegible]

[illegible]

[illegible]

Stanley Pottinger
181 Twin Lakes Road
South Salem, NY 10590

COPY

December 29, 1992

E. Lawrence Barcella, Esq.
Chief Counsel
October Surprise Task Force
Third & D Streets, SW
Ford House Office Bldg.
Room 175 D
Washington, DC 20515

Dear Larry:

In response to your request that I review files and documents concerning Hashemi's whereabouts during July and August, 1980, enclosed is a summary of my review of the information I have, along with some xerox copies of relevant bills, memos, and the like. In other words, the things you, David, and I discussed this morning and afternoon.

David requested an affidavit covering the material, and that is enclosed too.

I still have been unable to reach Barry Kingham to discuss this matter with him (he is out of town), but in light of the urgency of getting this to you in light of your time constraints, I am sending this along anyway.

Sincerely yours,

5/Stan

J. Stanley Pottinger

cc: David Laufman
T. Barry Kingham

COPY

AFFIDAVIT

I, J. Stanley Pottinger, having been duly sworn, depose and say as follows:

1. In response to a request by Mr. Larry Barcella for a review of files, records, memoranda, and documents which may reflect the location and activities of Mr. Cyrus Hashemi during the months of July and August, 1980, I have undertaken such a review.

2. A summary of that review was prepared by me and is attached hereto and made a part hereof. It is, to the best of my knowledge, information and belief, true and correct.

3. The diaries, telephone bills, time sheets, notes, itineraries, travel vouchers, files and other memorandums, letters, telexes and documents reviewed have at all relevant times been in the custody or control of myself, my counsel, the employees of my former law firm, Troy, Malin & Pottinger, Washington, D.C., or the employees of the successor to that firm, Troy & Gould of Los Angeles, California. To the best of my knowledge, information and belief, the records have not been altered, defaced or changed in any material respect.

4. Except as set forth in the referenced documents and attached summary, I have not found other indications of the whereabouts, travel or location of Cyrus Hashemi during the requested period.

I certify under penalty of perjury that the foregoing is true and correct.

S/ JSP

J. Stanley Pottinger

Subscribed and sworn to before me on this 29th day of December, 1992

Notes complied by JSP on December 24-29, 1992 re: location and activities of Cyrus Hashemi ("CH") for the periods July, August and September 1-15, 1980.

Sources:

DI JSP's desk diary
TS Office time sheets
TEL Telephone records
Nts Notes from State Department communications
IT Travel Itineraries and/or travel vouchers
Miscellaneous notes, correspondence, memos

[Prior to July 1, 1980: Trip to London with CH]

Wednesday, June 25, 1980

IT JSP Shuttle to NY 9:00 a.m.

BA 170 lvs 12:15 p.m.

Arr. London: 9:00 p.m. Dorchester Hotel

Thursday, June 26, 1980

IT Conf. CH ISO (half hour)

Telcon Saunders, conf. CH re Madrid (one hour)

Friday, June 27, 1980

IT A & c w/ CH re: ISO Two hours

Nts 2:00: Telcon Saunders re: Madrid, litigation

3:00: CH re ISO, Madrid

8:00 Dinner, CH & Co.

Tuesday, July 1, 1980

3:00 Shareholders meeting, York CHouse (CH likely in attendance)

Wednesday, July 2, 1980

Nts 8:00 Telcon, CH re: Madrid

9:00 Lv. London for Heathrow, w/ CH

10:05 To Madrid, BA 452 w/ CH

Plaza Hotel, Rm 702

Telcon, J. Cook. Note that says, "Jack to call Hanover car re ret. flight BAA 455 tonight. Please advise Jalila for CH of arrival time."

7:15 Return to London from Madrid w/ CH

Telcons, Saunders, RP/Dr. M

2:30 a.m. last telcon re: Madrid [See next entry, Thursday, July 3, 1980]

Thursday, July 3, 1980

Nts 2:30 a.m. last telcon re: Madrid

8:00 Telcon, CH re: RP/Dr. M situation. "Madrid 34-1-"

9:00 Telcon, "RP/Dr. M, Madrid Plaza, 247-1200 (702)"

8:00 Dinner, John Gilbert, MP

Friday, July 4, 1980

Return to NYC. To Feigen-Fasteaus w/ GMS

Saturday, July 5, 1980

Telcon from CH re: RP reading about meeting, "spooked," leaves Madrid.

App. 0406

Sunday, July 6, 1980

Monday, July 7, 1980

JSP returns from NYC to Washington. Shuttle.

Tuesday, July 8, 1980

Wednesday, July 9, 1980

Thursday, July 10, 1980

IT To NYC Shuttle TWE business.

DI Diary says, "12:30 Dr. Hashemi's office."

IT Notes on Voucher say, "Lunch, Mr. Sawhney" [No indication which day--probably Thursday, 7/10, or possibly Friday, 7/11. No indication of meeting with CH]

Nts On a napkin, in JSP's handwriting, is a note that reads, "July 10 NYC w/ Dr. M". I do not recall the events this refers to. It suggests that Dr. Moini may have returned from Madrid to New York on this day, or was seeking to do so (see below), or perhaps that I may have met with Dr. Moini in New York. If so, I am reasonably certain that I would have met with Cyrus Hashemi as well, because I do not recall ever having met Moini except in Hashemi's presence.

Friday, July 11, 1980

In NYC. TWE business. [No indication of CH]

Saturday, July 12, 1980

DI JSP "In office" in DC.

Sunday, July 13, 1980

DI "Stewart Mott, 1-6 p.m. Anderson Campaign Mtg 122 Maryland Ave. NE" Below that, "In office."

Monday, July 14, 1980

DI "5:00 p.m. Jamsheed Hashemi"

Nts S called re: news from RP. JSP: "None."

"Jamshed and Mr. Fatemi came by unannounced--5:00. Just to ask for moral support of moderates. (Fatemi met me Ohio re: ERA and speech of some kind a few years ago.)"

Tuesday, July 15, 1980

Nts Letter to S re: Martin Danziger, INS, allowing Dr. Moini into US.

Undated, JSP handwritten notes on date of birth, etc. for Dr. Moini

[JSP to NYC, evening, on way to Rutland, Vt.]

Wednesday, July 16, 1980

Nts JSP dictated note to S re: don't put self out for Moini. [Apparently dictated from Rutland, Vt.]

[JSP to Rutland, Vt. re: hearing. Lv. 8:45 a.m.]

TEL 2:16 p.m. Fm Rutland to 9 West, NYC 751-3161 7 min.

TEL 3:50 p.m. Fm 1932 to 9 West, 751-3161 1 min.
[Best guess: JSP asked office to relay message to CH while JSP is in Rutland, or asked office to conference him in on line.]

TEL 4:36 p.m. Fm 1932 to 9 West, 751-3161 6 min.
[Best guess: Same as above.]

App. 0408

Thursday, July 17, 1980

IT Rutland to JFK to LAX per itinerary. [Best guess: relayed messages to CH through DC office. Note: four calls within one minute from DC office: trying, failing to conference in? Finally gets through for 5 minutes?]

TEL 12:32 p.m. Fm 1900 to 9 West, 751-3161 1 min.

TEL 12:33 p.m. Fm 1900 to 9 West, 751-3161 1 min.

TEL 12:33 p.m. Fm 1932 to 9 West, 751-3161 1 min.

TEL 12:33 p.m. Fm 1900 to 9 West, 751-3161 5 min.

Friday, July 18, 1980

[JSP lvs JFK 9:00 a.m., arr. LAX 11:28 a.m.]

Saturday, July 19, 1980

[JSP in LA]

Sunday, July 20, 1980

[JSP in LA]

TEL 10:20 a.m. CC to Wilton, Ct. 762-2622 11 min.
["CC" = Credit Card]

Monday, July 21, 1980

DI [JSP "returned today" to office]

Tuesday, July 22, 1980

TEL 1:55 p.m. Fm 1900 to 9 West, 751-3161 1 min.

TEL 2:58 p.m. Fm 1919 to 9 West, 751-3161 5 min.

TEL 3:06 p.m. Fm 1919 to 9 West, 751-3161 1 min.

TEL 5:11 p.m. Fm 1900 to 9 West, 751-3161 2 min.

TEL 5:23 p.m. Fm 1900 to 9 West, 751-3161 1 min.

TEL 10:59 p.m. Fm home (Bethesda) to Wilton, Ct 1 min.

Wednesday, July 23, 1980

TEL 10:33 a.m. CC fm home to 9 West, 751-3161 2 min.

TEL 10:50 a.m. CC fm home to 9 West, 751-3161 4 min.

Thursday, July 24, 1980

[JSP to Burlington, Vt. Hearing]

Note: Barry Kingham's letter to Larry Barcella of November 2, 1992, states that my notes and diaries reflect a meeting with Hashemi in New York on July 24, 1980. Upon further examination of the diary and notes, it appears that this meeting occurred on Friday, November 25, 1980. My contemporaneous notes say "Friday, July 24. New York with ch." Day or date was in error because July 24 was Thursday, not Friday. My diary states that I was at a hearing in Vermont on Thursday, July 24, and in New York on Friday, July 25.

Friday, July 25, 1980

[JSP to NYC]

Saturday, July 26, 1980

[JSP in Washington]
[Katie home from camp]

TEL 7:18 p.m. Fm home to Wilton, Ct. 762-2622 6 min.

Sunday, July 27, 1980

TEL 8:05 p.m. Fm 1900 to Wilton, Ct. 762-2622 1 min.

Monday, July 28, 1980

Nts Questions from CH to S re issues to be resolved in hostage negotiations.

TEL 9:58 a.m. Fm 1900 to 9 West, NYC 751-3161 3 min.

TEL 2:42 p.m. Fm 1932 to 9 West, NYC 212-751-3161 3 min.

TEL 3:26 p.m. Fm 1919 to 9 West, NYC 212-751-3161 2 min.

TEL 5:34 p.m. Fm 1900 to 9 West, NYC 212-751-3161 1 min.

TEL 6:07 p.m. Fm 1919 to 9 West, NYC 212-751-3161 1 min.

IT Shuttle to NYC, late meeting TWE at 3:00 p.m. [postpnd?]

TEL 10:32 p.m. CC Fm NYC to Wilton, Ct. 762-2622 6 min.

Tuesday, July 29, 1980

[JSP in NYC, then return to Washington]

[Preparing for exec. director interviews in London, calling CH in office in NYC]

TEL	12:43 p.m.	Fm 1900 to 9 West, NYC	751-3161	2 min.
TEL	1:35 p.m.	Fm 1919 to 9 West, NYC	751-3161	5 min.
TEL	2:09 p.m.	Fm 1932 to 9 West, NYC	751-3161	1 min.
TEL	2:12 p.m.	Fm 1932 to 9 West, NYC	751-3161	10 min.
TEL	3:02 p.m.	Fm 1932 to 9 West, NYC	751-3161	3 min.
TEL	4:15 p.m.	Fm 1900 to 9 West, NYC	751-3161	4 min.
TEL	5:51 p.m.	Fm 1900 to 9 West, NYC	751-3161	8 min.
TEL	5:53 p.m.	Fm 1900 to 9 West, NYC	751-3161	1 min.

Wednesday, July 30, 1980

TEL 10:58 a.m. Fm home to 9 West, NYC 751-3161 7 min.

JSP travel from IAD, 12:30 p.m. Concorde, to Heathrow, arr. 10:00 p.m. Dorchester Hotel.

Thursday, July 31, 1980

JSP London.

IT "Call CH at home. Conf. with Hart to 4:00"

IT 6:00 p.m. telcon w/ S.

TEL Fm UK 499-6555 to Wilton, Ct 2622 26 min.
[Note: I cannot find the original telephone bill line item on this. I was entering these calls onto the computer late at night, so perhaps this is a misread entry of something else? On the other hand, it's specific, and it seems to match the itinerary notation that I talked with CH at home. Will look again.]

Friday, August 1, 1980

JSP London

TS Telcon with CH re: NIOC/ISO; exec. dir. recruitment.

TEL Fm UK 629-8888 to 9 West 3161 3 min.

IT Telcon w/ S re: report figures to T.
Telcon with CH re: NIOC/ISO

IT 6:00 p.m. flight, Heathrow to Geneva.

8:15 p.m. Din. with ELR

Saturday, August 2, 1980

[Geneva, ELR]

TEL 7 p.m. Fm Switzerland to Wilton, Ct 15 min.

Sunday, August 3, 1980

IT [Geneva, ELR. The great Alps hike]

Return to London in p.m.

Monday, August 4, 1980

IT London. Interviews, etc.

TS All day interviews
Conf. with Hart re NIOC negotiations

TEL Fm UK 629-8882 to 9 West 3161 5 min.

Tuesday, August 5, 1980

IT "Call [names] re: CH interviews on Wednesday p.m." [CH to come to London following day?]

TS "Status of CH [expected] arrival in London." [From several indications, CH was to arrive at about this time but did not. I recall that at sometime Homa Hashemi was in an auto accident, perhaps CH too. See August 15 letter, JSP to Mr. Stanley, referring to "accident" which delayed CH trip to London.]

TEL Fm UK 629-8882 to Wilton, Ct. 2622 27 min.

Wednesday, August 6, 1980

IT "1:00 p.m. Call CH"

"7:30 p.m. Calls -- CH, TMP [my law firm]"

TS Tel. conf. with CH to report on NIOC, Hart.

Dinner, WRH [Upon return to hotel, calls from CH. See first item, 1:15 a.m. call, Thursday, August 7, 1980]

TEL Fm UK 499-6621 to Wilton, Ct. 2622 12 min.

TEL Fm UK 499-6621 to Wilton, Ct. 2622 40 min.

App. 0414

Thursday, August 7, 1980

IT 1:15 a.m. Call fm CH re: Wash Post article on FGBT

1:45 a.m. JSP call to Nunes, Schwartz, Wash Post

3:00 a.m. Call to CH (Half hour)

10:00 a.m. JSP To Heathrow

10:45 a.m. Call to Nunes (8:00 a.m. Washington time.)

11:15 a.m. Concorde to JFK

Conference, CH, Cook at CH home, all day re: Wash Post

DI "In NY/Ct Dr. Hashemi's home."

Telex, JSP to Graham Stewart, Commodity Appts: "Dr. Cyrus Hashemi will be in London next week for interview."

TS Telcon with Hart re: "Expected visit from CH to London."

Friday, August 8, 1980

JSP Shuttle from LGA to DC.

TEL 8:15 a.m. CC fm LGA to Wilton, Ct. 762-2622 5 min.

TEL 10:52 a.m. Fm 1919 to 9 West, 751-3161 3 min.

TEL 11:10 a.m. Fm 1932 to 9 West, 751-3161 3 min.

TEL 3:57 p.m. Fm 1919 to 9 West, 751-3161 5 min.

DI Lv. for Fire Island, GMS, Pogrebins, via NYC, 6 p.m. shuttle

Saturday, August 9, 1980

DI Fire Island

App. 0415

Sunday, August 10, 1980

TEL 10:21 a.m. Fm Bayshore NY to Wilton, Ct. 2 min.

TEL 10:51 a.m. Fm Fire Is. [Pog] to Wilton, Ct. 2 min.

Monday, August 11, 1980

DI NYC a.m. with Dr. Hashemi

TS "Consultation with CH, JFK/British Airways lounge." [I believe he is now leaving on his belated trip to London.]

Telex from JSP to CH at Dorchester Hotel, London.

Tuesday, August 12, 1980

TS "Advice and consulation, CH, London"

Wednesday, August 13, 1980

Telex, JSP to Nic Byrom, London, "Dr. Cyrus Hashemi . . . is now at Dorchester."

Thursday, August 14, 1980

TS Conf. call, CH

TEL 3:00 p.m. 1917 to UK 629-8888 4 min.

TEL 3:25 p.m. 1917 to UK 629-8888 21 min.

Friday, August 15, 1980

Letter, JSP to Roderick Stanley, applicant. "I had expected to talk with you before leaving [London], but the Chairman of the Board had an accident and was unable to do so." [Auto accident involving Homa Hashemi? Is that why CH is at home in early Aug? Chk. with Homa Hashemi?]

TEL 12:21 p.m. Fm home to 9 West 751-3161 1 min.

File FIR 8.2 3 page to file: "I talked to Cyrus Hashemi in London."

TS [None]

Saturday, August 16, 1980

Sunday, August 17, 1980

Monday, August 18, 1980

TS "Hashemi, London. . . "

Telex, JSP to CH, Dorchester Hotel re: NIOC

Tuesday, August 19, 1980

Telex, JSP to CH, Dorchester Hotel re: addendum to NIOC telex of August 18, 1980

TS Conf, CH et al.

TEL 12:22 a.m. Fm home to UK 629-8888 25 min.

Wednesday, August 20, 1980

TS Conf, CH et al.

App. 0417

Thursday, August 21, 1980

TS Conferences, CH, Garbus, Peter Constable, State Dept.

Memo to file: JSP talked to CH in London at 10:30 a.m.

Telex to CH at Dorchester re: Constable easing entry.

DI "Mtg here, CH, JSP, Cook, Garbus, Tigar"--but it has been crossed out with pencil, as if cancelled or postponed. See August 23.

TEL Fm home to UK 629-8888 20 min.

Friday, August 22, 1980

TS [None]

TEL 1:03 p.m. fm 1917 to UK 629-8888 9 min.

TEL 8:31 p.m. fm 1917 to UK 629-8888 9 min.

Saturday, August 23, 1980

TS "Conference, Messrs Hashemi, Cook Garbus, Dennis, Pottinger re: EIR." [Meeting at DC office]

Sunday, August 24, 1980

TS "Conf., CH, WLD, JSP re; EIR"

TEL 10:23 a.m. Fm home to Wilton, Ct 4 min.

Monday, August 25, 1980

TS A & C, CH

Tuesday, Augst 26, 1980

TS Conf, CH [tel or person?]

Memo to file: ref to Shaheen [i.e. Michael, DOJ]

App. 0418

Wednesday, August 27, 1980

TS Conf call, CH

Thursday, August 28, 1980

TS No ref. to CH

TEL 9:39 a..m. Fm Beth. to UK 222-1125 2 min.

Friday, August 29, 1980

TS No ref to CH

Saturday, August 30, 1980

Sunday, August 31, 1980

Monday, September 1, 1980

Nts Typed notes re: telcon with S. At end: "Relayed same (above) to ch. 11:30 p.m. tonight."

Memo to file: "I received a telephone call from Cyrus Hashemi who was on his way to the airport in Los Angeles."

TEL 11:36 p.m. Fm Beth. to Wilton, Ct 15 min.

Tuesday, September 2, 1980

TS Conf, Mika Shahaan
A & C, CH

TEL 5:32 p.m. fm Glen Br Md to 9 West 3151 1 min.

TEL 2:02 p.m. fm WLD 1917 to 9 West, 3151 2 min.

App. 0419

Wednesday, September 3, 1980

TS A & C, CH

Thursday, September 4, 1980

TS JSP in office of CH

Memo from JSP to WLD: "It is 10:15 a.m. in Cyrus Hashemi's office and I am with Jack Cook and Cyrus."

Friday, September 5, 1980

Letter from Mike Shaheen to JSP.

TS Conf, Dr. H [tel or person?]

TEL 3:49 p.m. Fm N Caanan to 9 West 3161 4 min.

Saturday, September 6, 1980

TS No ref to CH

Sunday, September 7, 1980

TS No ref to CH

Monday, September 8, 1980

TS No ref to CH

Tuesday, September 9, 1980

TS No ref to CH

Wednesday, September 10, 1980

TS No ref to CH

Thursday, September 11, 1980

Telex, JSP to CH at Dorchester Hotel

Friday, September 12, 1980

Saturday, September 13, 1980

Sunday, September 14, 1980

Monday, September 15, 1980

Wednesday, May 7, 1980

Tab1 Telcon fm Jamsheed:

"Son of Ayat. Montazari. Bold. "Ringo" Ayatollah."

"Brother of Ayat. Carubi wld come."

3:15 p.m. telcon from CH re: BS

Wednesday, May 14, 1980

Tab1 Telcon from S. "Interested in rep of B; Karoobi himself (not brother); Mantazari (not son). Europe next week," etc.

Telcon CH. "He will be in Wash. tomorrow for meeting."

MEMORANDUM

To: Dave Laufman
From: Stan Pottinger
Date: December 30, 1992

Re: Errata

On page 7 of my Summary Memorandum of Hashemi's Whereabouts sent by Fed Ex to you yesterday, December 29, 1992, there is a typed error under the heading Thursday, July 24, 1980, fifth line down under the word "Note," which reads "this meeting occurred on Friday, November 25, 1980."

That line should read "Friday, July 25, 1980."

cc: Barry Kingham

BOHEMIAN CLUB

SAN FRANCISCO

September 30, 1992

Mr. Douglas Edmonson
Foreign Affairs Task Force
House Annex II, Room H 2175C
Washington DC 20515

RE: Subpoena Dated September 21, 1992

Dear Doug:

I am in receipt of the subject subpoena and attachment and a letter dated September 21, 1992 from Mr. E. Lawrence Barcella, Jr., Chief Counsel. This is to advise you that a thorough search for any and all documents and records pertaining to the attendance of William J. Casey at the Bohemian Grove in 1980 has been made as follows:

I personally met with Mr. Donald E. Devers, Club Secretary at his office. We concluded that all records that would be held under his custody for any and all guest activities at the Bohemian Grove for the year 1980 have been destroyed. The only document that still remains is a guest card file that Mr. Devers has been maintaining since at least 1972, copy enclosed. I am also enclosing a letter from Mr. Devers to me on this subject.

I met with Mr. Andrew Jameson, Bohemian Club Historiographer and Archivist. In checking all of his files, nothing has materialized.

I spoke with Mr. Steve DePetro, Bohemian Club General Manager and requested that he meet with the Club's Comptroller to make a similar search. All records for the 1980 Grove have been destroyed with one single exception: Mr. Nitsburg, Club Comptroller, checked some old cartons that he found in the lower levels of the city facility. He located one invoice for Mr. Casey for the year 1980, copy enclosed.

624 TAYLOR STREET, SAN FRANCISCO, CALIFORNIA 94102-1075 • (415) 885-2440

BOHEMIAN CLUB

SAN FRANCISCO

Mr. Douglas Edmonson
September 30, 1992
Page 2

I spoke by telephone to Mr. Robert E. McCarthy, current captain of Parsonage Camp. He advises that he has been aware of the request for documents and records pertaining to the attendance of Mr. Casey at the 1980 Grove Encampment, including any visit to Parsonage Camp. He stated that he has done a thorough review and search without any success.

To date, my search has been somewhat fruitless other than the enclosed. I am prepared to assist you in any way I can if you feel that there's some other avenue that I can pursue in your behalf. I'm taking the liberty of faxing this material to you and will forward hard copies by mail.

Sincerely yours,

Robert Setrakian
Vice-President

RS/as

BOHEMIAN CLUB
624 TAYLOR STREET
SAN FRANCISCO, CALIF. 94102

September 24, 1992

Mr. Robert Setrakian
1905 Baker Street
San Francisco, CA 94115

Dear Mr. Setrakian:

This is in response to your request for all information from our files concerning the visit to the Bohemian Grove Encampment during the year 1980 of William J. Casey.

This is to warrent that the only information that we have been able to locate is a 3X5 card, enclosed.

Please let me know if I can be of any other assistance to you.

Sincerely yours,

Donald E. Devers
Club Secretary

Casey, William J.

1972 Frank G. Chambers

1980 Parsonage Camp Darrell M. Trent
Glenwood Road, Roslyn Harbor, NY 100--

1981 Mandalay John A. McCone
(currently househunting)

BOHEMIAN CLUB

SAN FRANCISCO

EXECUTIVE OFFICES

September 28, 1992

Mr. Robert Setrakian
1905 Baker Street
San Francisco CA 94115-2012

Mr. Setrakian:

In regard to your question to me concerning William Casey and his attendance at the 1980 Encampment, the Club has no records that can verify his visit during that period.. However, attached is a copy of a statement sent to Mr. Casey in August 1980.

This is the only information I was able to find. If you have any questions, please let me know.

Sincerely,

Stephen DePetro
General Manager

SD:nl

enclosure

624 TAYLOR STREET, SAN FRANCISCO, CALIFORNIA 94102-1075 • (415) 885-2440

Statement of Account

From: BOHEMIAN CLUB
624 TAYLOR STREET
SAN FRANCISCO CA. 94102

0019478 712081

Page 1 of 1

Closing Date AUG 3 1980

New Balance $66.24

Minimum Payment Due

To: WILLIAM CASEY
% MR. DARRELL M. TRENT
HOOVER INST
STANFORD CA 94305

Account No. 70062-0

Please Enter Amount Paid

Remit To: BOHEMIAN CLUB
PO BOX 6Z285
SAN FRANCISCO CA. 94162

71200107006207000624006624

Detach and Return This Portion With Your Payment

Retain This Portion For Your Records
Send Billing Inquiries To:

Account No. For

BOHEMIAN CLUB 70062-0 WILLIAM CASEY
624 TAYLOR STREET % MR. DARRELL M. TRENT
SAN FRANCISCO CA. 94102

Date	Description	Reference	Amount
08/01/80	PLAY BOOK		9.00
08/03/80	BOARD CHARGE	2946	57.24

DO NOT RETURN CHECK WITH YOUR REMITTANCE. INQUIRIES SHOULD BE SENT UNDER SEPARATE COVER LETTER TO 624 TAYLOR ST. S.F. CA. 94102

Previous Balance	Payments	Credits	Charges		New Balance
.00			66.24		66.24

Closing Date	Past Due Balances	31-60	61-90	91-120	121+	Minimum Payment
08-03-80						

New Charges Will Appear on Your Next Statement

App. 0429

Retain This Portion For Your Records
Send Billing Inquiries To:
BOHEMIAN CLUB
624 TAYLOR STREET
SAN FRANCISCO CA 94102

Date	Description	Reference	Amount
08/01/80	PLAY BOOK		9.00
08/03/80	BOARD CHARGES	2946	57.24

DO NOT RETURN CHITS WITH YOUR REMITTANCE. INQUIRIES SHOULD BE SENT UNDER SEPARATE COVER LETTER TO 624 TAYLOR ST, S.F. CA 94102

Pd
BR 306
40

Previous Balance	Payments	Credits	Charges		New Balance
.00			66.24		66.24

Closing Date	Past Due Balances	31-60	61-90	91-120	121+	Minimum Payment Due
08-03-80						

Payments or Charges Not Shown Will Appear on Your Next Statement

Note →

William Casey

2946

70062

BOHEMIAN GROVE ENCAMPMENT BOARD CHARGES

July 18, 1980 through August 3, 1980

Charges are calculated according to ARRIVAL and DEPARTURE registrations.

Board (Breakfast $10.00; Dinner $17.00)

Total, Including 6% Sales Tax $ 57.24

DEPOSITION EXHIBIT
Trent #2

App. 0430

This Portion For Your Records
Billing Inquiries To:
HEMIAN CLUB
TAYLOR STREET
FRANCISCO CA. 94102

Account No. 20261-0 For: MR DARRELL M. TRENT
% HOOVER INSTITUTION

Date	Description	Reference	Amount
/22/80	CAMP PRO RATA/DIEM	430	101.40
/24/80	GROVE SERVICE BAR	7273	13.90
/24/80	GROVE BAR Th	105	3.85
/24/80	GROVE BAR	95	5.50
/24/80	GROVE BAR	96	1.40
/25/80	GROVE BAR	233	.60
/25/80	GROVE BAR	226	1.40
/25/80	TRAP & SKEET		.50
/26/80	GROVE BAR	168	.70
/31/80	MISC-GROVE	221	10.00
/01/80	GROVE SERVICE BAR	2310	13.90
/01/80	GROVE BAR	210	2.50
/01/80	GROVE BAR	211	.70
/01/80	PLAY BOOK		9.00
/03/80	MONTHLY DUES		60.00
/03/80	CAMP ASSESSMENT		40.00
/03/80	M.S.E.	2694	180.00
/03/80	BOARD CHARGES	2299	143.10

9/9/80 $1686.45

O NOT RETURN CHITS WITH YOUR REMITTANCE. INQUIRIES
HOULD BE SENT UNDER SEPARATE COVER LETTER TO 624
AYLOR ST., S.F. CA 94102

us Balance	Payments	Credits	Charges		New Balance
482.50			588.45		1070.95

sing Date	Past Due Balances	31-60	61-90	91-120	121+	Minimum Payment Due
-03-80		482.50				

Payments or Charges Not Shown Will Appear on Your Next Statement

JUL 22 1980 430

Mr. Darrell Trent 20261

BOHEMIAN CLUB

~~Memrial Contribution~~

PARSONAGE

101.40

~~120.00~~

BOHEMIAN GROVE
Service Bar
Waiter No. 2 No. 7273

JUL 24 1980

	7	80
TOTAL	13	70

Name [signature]

Account Number 20261

[signature] 20261

JUL 24 A -03.85 105

JUL 24 A -03.85 105

[signature] 20261

JUL 24 A -01.40 096

JUL 24 A -01.40 096

[signature] 20261

JUL 24 A -05.50 095

JUL 24 A -05.50 095

[signature] 20261

JUL 25 A -00.60 233

JUL 25 A -00.60 233

DEPOSITION EXHIBIT Trent #1

App. 0431

1980 JULY

21 MONDAY

#3423 TWA 258

22 TUESDAY

23 WEDNESDAY

24 THURSDAY

TWA #45 6:00

BES to Grove

1980 JULY

28 MONDAY

TWA # 840 SF-NY 10A

29 TUESDAY

1:00 Fred Rosenbaum

30 WEDNESDAY

1:00 Carl Kempner

31 THURSDAY

THURSDAY 17 JULY

80 198th day — 168 days follow

1980 199th day — 167 days follow

Went to The Grove. Parsonage

Camp dinner.

App. 0434

PAGE.002

DEC 7 '92 16:39 FROM J H POMEROY

JULY 18 FRIDAY

1980 200th day – 166 days follow

At the Grave Alden Bates joined us at my guest

App. 0435

DEC 7 '92 16:40 FROM J H POMEROY PA

SATURDAY 19 JULY

day – 166 days follow

1980 201st day – 165 days follow

At the grave Alden Tate my guest

App. 0436

PAGE.004

DEC 7 '92 16:41 FROM J H POMEROY

JULY 20 SUNDAY

1980 202nd day – 164 days follow

1980 203rd day – 163 day

Returned home from the Grove.

App. 0437

DEC 7 '92 16:41 FROM J H POMEROY PAGE.005

FRIDAY 25 JULY

– 160 days follow

1980 207th day – 159 days follow

Dennis Kash of Lone Star in my office. Told me about the deal to make concrete cross ties with the Kansas City Southern. Also told me how wonderful he is handling our joint venture @ Sabine. Also told me that Lone Star not so interested in buying us out of the joint venture. I told him we had no interest in getting out after completing the Antioch project. Will have paid our dues by then. Intend to push the j.v. to get more and better work.

Went to the grave. Ate late w/ my guests.

App. 0438

FROM J H PCMEROY PAGE.006

JULY 26 SATURDAY

1980 209th day – 158 days follow

1980 209th day – 157 days follow

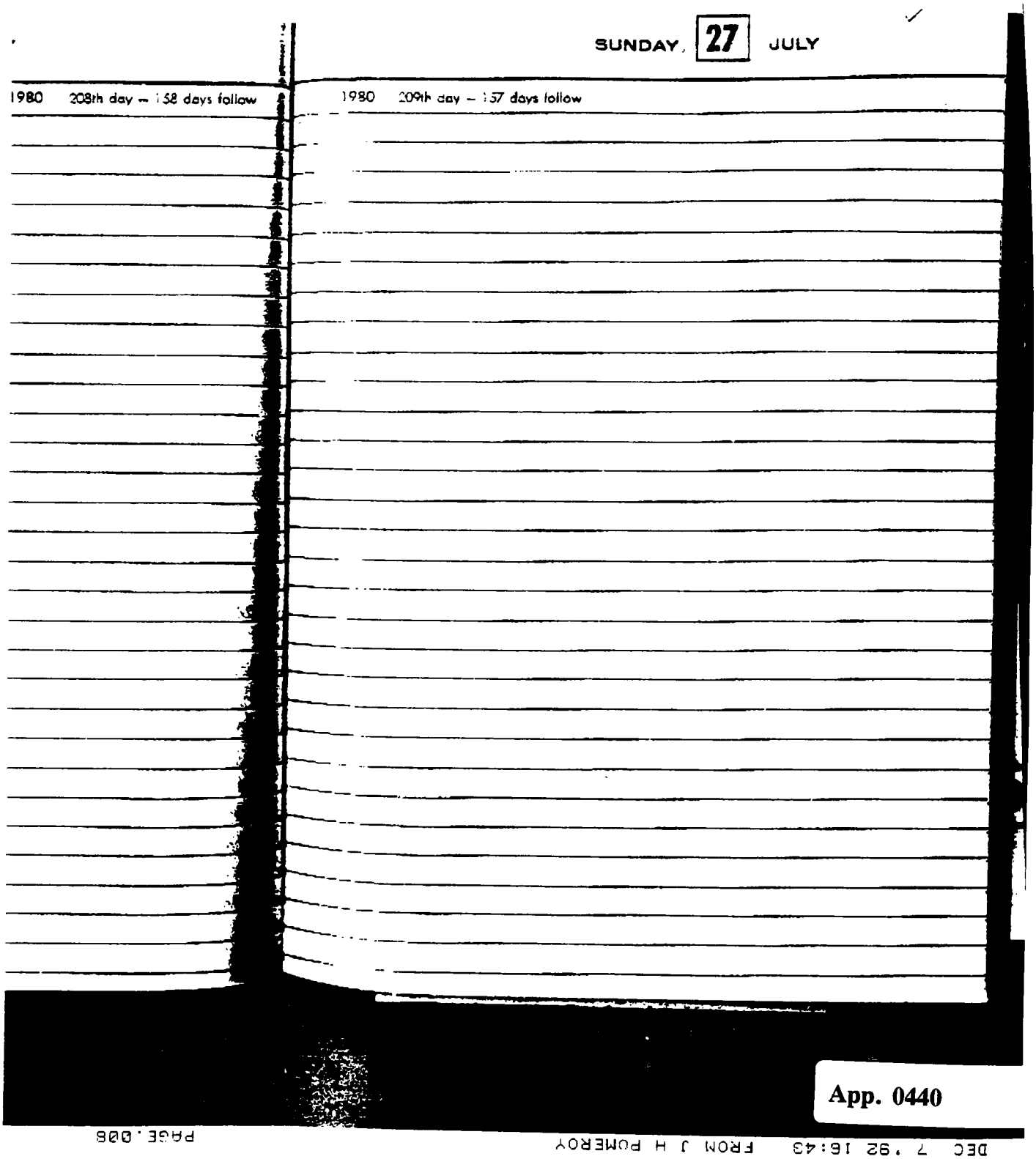
App. 0439

DEC 7 '92 16:42 FROM J H POMEROY PAGE.007

SUNDAY, 27 JULY

1980 208th day – 158 days follow

1980 209th day – 157 days follow



App. 0440

DEC 7 '92 16:43 FROM J H POMEROY PAGE.008

THURSDAY 31 JULY

h day — 154 days follow

1980 213th day — 153 days follow

Social Security and Withholding Tax Return Due

Gordon Anderson in Retirement.
Not sure left with him
concerning getting SE Punished
in some of Brown work.
I went to the Grave. To put a
quiet Pit off to London, where he
is allegedly living (when not in SE
or Fulham)

App. 0441

PAGE.009

DEC 7 '92 16:43 FROM J H POMEROY

AUGUST 1 FRIDAY

1980 214th day — 152 days follow

At the Grove

1980 215th day — 1

At the

App. 0442

DEC 7 '92 16:44 FROM J H POMEROY PAGE.010

SATURDAY 2 AUGUST

1 day — 152 days follow

1980 215th day — 151 days follow

At the Grove

App. 0443

PAGE.011

DEC 7 '98 16:44 FROM J H POMEROY

AUGUST 3 SUNDAY

1980 216th day – 150 days follow

1980 217th day – 149 days follow

1980 Doberman Encampment closed this date. A very good encampment for me.

We had Bill Casey, San Diegan's remaining age. at 21st Gun. Last Day of Wetland.

App. 0444

DEC 7 '92 16:45 FROM J H POMEROY PAGE.012

MONDAY 4 AUGUST

ys follow 1980 217th day — 149 days follow



App. 0445

EC 7 '92 16:46 FROM J H POMEROY PAGE.013

RICHARD V. ALLEN July 80
WASHINGTON

June 4 Lbg. Lounsbury Park

11 July 0715
Bill Casey Breakfast

2 July 2200 Meeting
Bill Casey, Tom Evans,
PDH -

3 July 0930 mtg NRR
re Acceptance Speech

17 July RR/GK Press Conf

19 July Dinner WJ Casey, Fitz
MCA Rich re Congress

23 July 0830 Mtg - GJC re mtg 4 RR LA

24 July Various Mtgs

905 - 16TH STREET, N.W. • TEL. (202) 737-2824
TLX 710-822-1143 RVALLEN WSH

Pat

1 Aug 80 - WJC & RR Mtg.

2 Aug 80 WNC & CI
F16 621-9332

4 Aug 80 Amb. WJC 0651 Phone call

RICHARD V. ALLEN
WASHINGTON

October 80

20 Oct - Casey calls WJC 0730 re debate

22 Prep -
23 Prep
24 Prep Pat Buchanan, topics @ 1400
25 Prep wrap up
26 Prep Wash Post
27 Prep wrap up
28 Debate @ Cleveland.
29 Cleveland - Dinner

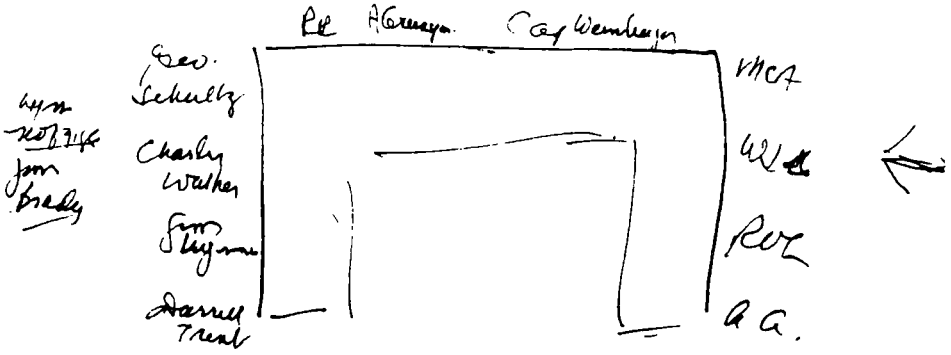
905 - 16TH STREET, N.W. • TEL. (202) 737-2824
TLX. 710-822-1143 RVALLEN WSH

App. 0446

/ Cooper

- Full CR – Can <u>count</u> on France to be on side of US in a crisis.
- Must expect effort to build Europe that has strengths & characters of its own – not directed at US, but is part of stream of history
- We have major diff. on MF; US analytically wrong. Isolates Alienates people.
- Afghan – – lessons must be sorted out; U.S. leader no systematic

1000 MH – RR



1109 OEC → 347 - 3243 - CC

Gypsy 465 52 5633
Cente Bush
Lopez Semrad
Y Suzuki
Armstrong
Kopp →
Takase → 415 327 3550

1121 Japanese Embassy → 234-2266 RFPC

- Mr. Saeki → 202 966 5924 (R) <u>X202</u>

1129 CC →

App. 0447

2 Aug 8

Mr. Sneke — 202 966 5724

1445 Ryder Mossgiger → 203 678-9161

CP → 15th Saddle

Thai → LA Manila

Korean Air lines — 213 484-1900

BA — operates AAC → TXO Sun -17

JAL — Effsg to Mr. Koide
Dr Semaro

535 Lynn Mossgiger → re release

541 Dean Dench — 202-331 8566 Washington

Dean Dench → 703 685 3400

SQ → (15-hrs)

PAA → Pan Mochugh — Manhattan

1840 Jake Tully (213) 442 0914
Universally South Korea

1942 Lynn Mossgiger (213) 642 0914

recall 202 ~~213 534 1461~~ 533 3409

Dena 702 784 5568 Allen

Bill Casey - 516 621 9332

bill AFP
Call from
609 466 9814

LAST MONTH

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1980 AUGUST 1980

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NEXT MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

FRI. 1 AUG.

L a

DAY OF THE YEAR
214 -

FRIDAY, AUGUST 1

DAYS REMAINING
- 152

980 AUGUST 1980

		Sun Mon Tue Wed Thur Fri Sat 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Sun Mon Tue Wed Thur Fri Sat 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30		1 CALIF	2 N.J
3 N.J	4 1600 STROBE TALBOTT (HERE)	5 0800 BREAKFAST - ROWLAND EVANS 0930 GEN. BAKER) 1100 F. FIELDING (THERE) 1400 CINCT NAGLE ~~1650~~ 1700 MR. CHEN (NSRG) 1830 LV. FOR DINNER-CHENS	6 0930 MELVIN LAIRD 1600 WOLF BLITZER (HERE) 1230 [illegible] 1330 JOHN LODGE 1430 Amb ARMSTRONG (CREA) 1530 Jim Lilly 5:00 GANG OF 10 7:00 ~~ED~~ MEESE	7 1230 + Amb. Evron-Israel Sheraton-Carlton ~~[illegible]~~ 1430 Mr. Navarro 1530 ~~GEN EDWARDS~~ (CROLAN) ~~[illegible]~~ KOPPS DINNER	8 8:00 ANDREWS/SIVONDA (RFA) 1000 Dep. For Dubes 11:00 Dep. For LA	9
10	11 ~~H.H [illegible]~~ 1230 SV NOLAN LUNCH (to AC confirm) 1400 - Wm. P. ROGERS	12 1000 Spencer Rich 1100 MR. TERAMURA 1200 LUNCH - GENE KOPP 1330 Capital Gateway (Kind toward) 1500 ~~1600~~ MR. CHEN	13 ~~[illegible]~~ [illegible] 1200 GEN. HAIG - LUNCH 1830 - Tape Recording for ed Rollins	14 1100 BARBER 1.00 LITA HOUSER [illegible]	15 0900 CIA BRIEFING (BUSH RSS - ME.)	16
17	18	19	20 JAPAN/CHINA	21	22	23
24	25	26 [illegible] 2:30 B'NAI B'RITH SPEECH MIG	27 1330 BOB EISENACH 1600 Am Chen	28 0800 Senate Staffers Breakfast (NRA) 1200 Lunch - Brig Lindsay - C. Nagle 1400 Linda Chenoweth (Ed Meese) [illegible]	29	30
31 (APSAC) WASH WITH						

App. 0450

MONDAY • JULY 28	TUESDAY • JULY 29	WEDNESDAY • JULY 30	THURSDAY • JULY 31
Dinner: Homestead JMS Milt, & Ina Ellen	Dinner: La Belle Normandy JMS mom Fernandez, Milt, Jean Jean, Schaf	Lunch: Blueprint JMS, maureen R. Collier Milt & Jesse Dinner: Christ Cella JMS, maureen Milt & G. McJean	Lunch; Reuben JMS, maureen, Milt D. Osterbridge, G. McJean Dinner; El Caradon JMS, maureen, Milt G. McJean, Barry Bradson

FRIDAY • AUGUST 1	SATURDAY • AUGUST 2	SUNDAY • AUGUST 3
Lunch w/ JMS Dr. Hashemi		JMS - N.Y. to New Orleans Delta #535 Dep N.O. 12:25 pm New Orleans 2:09 OPEN RETURN Tonight

1980

January	February	March
April	May	June
July	August	September
October	November	December

App. 0451

ATE	REFERENCE	CHARGES	CREDITS	BALANCE
BALANCE FORWARD JUNE 30 80				436.15*
JLY 8 80	2	43 5		480.10*
JLY 8 80	3	25 0		48 2.60*
JLY 8 80	5	3.72		486.32*
JLY 24 80	6	25		48 6.57*
ULY 24 80	40CK		230.96	255 .61*

DATE	REFERENCE	CHARGES	CREDITS	BALANCE
BALANCE FORWARD APR 30 80				70.41*
MAY 5 80	1	42.00		112.41*
MAY 5 80	5	3.36		115.77*
MAY 5 80	6	6.62		122.39*
MAY 5 80	33	.80		123.19*
MAY 6 80	2	28.95		152.14*
MAY 6 80	5	2.32		154.46*
MAY 23 80	1	42.00		196.46*
MAY 23 80	5	3.36		199.82*
MAY 23 80	6	.75		200.57*
MAY 23 80	29	50.00		250.57*
MAY 23 80	33	.80		251.37*
MAY 24 80	29	50.00		301.37*

Pay 230.96
6/24/80 #1928

Paid 9/3/80
#1956

App. 0452

Metropolitan Club

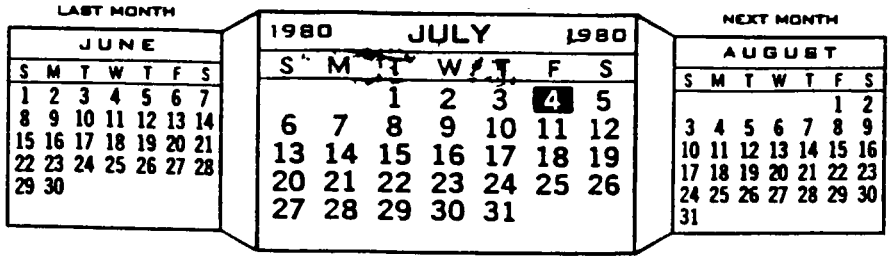
PAY LAST AMOUNT

OM	9 CARDS	17 TELEGRAPH CHARGES	25 FLOWERS	33 OCCUPANCY CHARGE
OD	10 GUEST CHARGES	18 STENOGRAPHIC CHARGES	26 LIMOUSINE SERVICE	39 SPECIAL EVENTS
ERAGES	11 THEATRE TICKETS	19 LIBRARY CHARGES	27 POSTAGE	40 CK CREDIT
ACCO AND CANDY	12 TRANSPORTATION	20 PARKING CHARGES	28 MEMBERSHIP LIST	
ES TAX	13 SPORTS TICKETS	21 PRIVATE DINING ROOM	29 CASH ADVANCE	
PHONE	14 LAUNDRY AND VALET	22 XEROX	30 MISC.	
ER SHOP	15 SERVICE CHARGE	23 CLUB HISTORY	31 DUES	
LTH CLUB	16 CHRISTMAS FUND	24 SQUASH	32 ENTRANCE FEES	

Metropolitan Club

PAY LAST AMOUNT

1 ROOM	9 CARDS	17 TELEGRAPH CHARGES	25 FLOWERS	33 OCCUPANCY CHARGE
2 FOOD	10 GUEST CHARGES	18 STENOGRAPHIC CHARGES	26 LIMOUSINE SERVICE	39 SPECIAL EVENTS
3 BEVERAGES	11 THEATRE TICKETS	19 LIBRARY CHARGES	27 POSTAGE	40 CK CREDIT
4 TOBACCO AND CANDY	12 TRANSPORTATION	20 PARKING CHARGES	28 MEMBERSHIP LIST	
5 SALES TAX	13 SPORTS TICKETS	21 PRIVATE DINING ROOM	29 CASH ADVANCE	
6 TELEPHONE	14 LAUNDRY AND VALET	22 XEROX	30 MISC.	
7 BARBER SHOP	15 SERVICE CHARGE	23 CLUB HISTORY	31 DUES	
8 HEALTH CLUB	16 CHRISTMAS FUND	24 SQUASH	32 ENTRANCE FEES	



THUR. 24 JULY

12:30 Georgetown Club

DAY OF THE YEAR
206 -

THURSDAY, JULY 24

DAYS REMAINING
- 160

I ACKNOWLEDGE RECEIPT OF TICKET(S) AND/OR COUPONS FOR RELATED CHARGES DESCRIBED HEREON. PAYMENT IN FULL TO BE MADE WHEN BILLED OR IN EXTENDED PAYMENTS IN ACCORDANCE WITH STANDARD POLICY OF COMPANY ISSUING CARD AND AS REFLECTED IN APPLICABLE TARIFFS.

X

UNIVERSAL CREDIT CARD CHARGE FORM

EASTERN AIR LINES 007

CONTRACTOR INVOICE COPY

DATE OF ISSUE

IF EXTENDED PAYMENT DESIRED, CIRCLE NO. OF MONTHS

3 6 9 12 ____

DATE AND PLACE OF ISSUE

7862 - 20

NAME OF PASSENGER IF OTHER THAN CARDHOLDER | STATO NO. | CONNECTION OF PASSENGER WITH SUBSCRIBER | APPROVAL CODE

COMPLETE ROUTING | FARE BASIS

GOOD IN EITHER DIRECTION BETWEEN

NEW YORK

AND

WASHINGTON

VIA

• EASTERN

AIR-SHUTTLE

ADULT ☐

CHILD ☐

MIL. RESVD. ☐

CREDIT CARD NAME/CODE

FORM OF CREDIT

3729 017094 11002

EXP. DATE

10/79 THRU 09/80 71 AX

FARE

TAX

TOTAL

EASTERN AIRLINES (007) TICKET NUMBER | CK

007

⑈290170941⑈100 0⑈0000006000⑈

App. 0454

UNIVERSITY OF FLORIDA
Gainesville, Florida 32611

Department of History
4131 GPA
Tel 904-392-0271

January 11, 1979

Mr. William J. Casey
Rogers and Wells
200 Park Avenue
New York, N. Y. 10017

Dear Bill:

Genevieve and I just returned from England where we spent the last three months. I was teaching in the Florida State London Study Center and also doing some research in the PRO. (I went through the ULTRA records that related to the landings in southern France.) Are you perhaps in Florida at this time? Please let us know if you are in the vicinity of Gainesville.

When I was in London I spent some time with William Deakin, chairman of the British World War II Committee. We have for a long time been interested in a meeting which would bring together Americans and Englishmen to discuss controversial aspects of the war. The attached memo sets forth some of our ideas. I wonder if you would be interested in this from one or both of two points of view. First, as a participant. It strikes me that if you were to give a paper on SO from the American side, and someone like M.R.D. Foot from the British side, on SOE, this would make a very good session. Second, as a project worthy of support by the Casey Foundation. You will recall that I did not feel justified in accepting support to send me personally to the Polish meeting. On the other hand, a program sponsored by our own committee, for an end which I consider to be worth while, is another matter.

Are you making progress with the book [illegible] a sabbatical, and I'm trying to finish up this project [illegible] France for which I have been gathering materials for a long time trying to relate the regular campaigns with Jedburgh' [illegible]d other missions, and with the French Resistance. [illegible]m no longer chairman of the department, I have hopes I wi[illegible]n time to make some progress.

Very sincerely,

Arthur L. Funk

App. 0455

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

AMERICAN COMMITTEE ON THE HISTORY OF THE SECOND WORLD WAR

#4 E

Arthur L. Funk, *Chairman*
Department of History
University of Florida
Gainesville, Florida 32611

Permanent Directors
Charles F. Delzell
Vanderbilt University
H. Stuart Hughes
University of California at San Diego
Forrest C. Pogue
Dwight D. Eisenhower Institute

Terms expiring 1978
Dean C. Allard
Naval History Division
Gene Burdick
San [illegible] State University
Philip A. Crowl
Naval War College
Rose Divine
University of Texas at Austin
William M. Franklin
Department of State (ret.)
John Lewis Gaddis
Ohio University
Colonel A. F. Hurley
Air Force Academy
Robert Wolfe
National Archives
Janet Ziegler
University of California at Los Angeles

Terms expiring 1979
Stephen E. Ambrose
University of New Orleans
Brig. Gen. James L. Collins, Jr.
Chief of Military History
Warren F. Kimball
Rutgers University, Newark
Robert Paxton
Columbia University
Agnes F. Peterson
Hoover Institution
Harrison E. Salisbury
The New York Times
Telford Taylor
New York City
Russell F. Weigley
Temple University

Terms expiring 1980
Martin Blumenson
Washington, D. C.
Harold C. Deutsch
Army War College
[illegible] L. Falk
[illegible] Air Force History
Maurice Matloff
Center of Military History
Ernest R. May
Harvard University
John Toland
Danbury, Connecticut
Gerhard L. Weinberg
University of North Carolina
Roberta Wohlstetter
Pan Heuristics, Los Angeles
Earl F. Ziemke
University of Georgia

Donald S. Detwiler, Sr.
and Newsletter Editor
Department of History
Southern Illinois University
Carbondale, Illinois

Robin Higham, *Archivist*
Department of History
Kansas State University
Manhattan, Kansas

Book Review Coordinator
Robert Dallek
Department of History
University of California
at Los Angeles
Los Angeles, California

James J. Dougherty
National Endowment for the Humanities
Washington, D. C. 2

Bibliography
Janet Ziegler
Reference Department
UCLA Library
Los Angeles, California

American Committee is affiliated with:
American Historical Association
400 A Street, S. E.
Washington, D. C. 2

Comité International d'Histoire de la Deuxième Guerre Mondiale
32, rue de Leningrad
75008 Paris, France

5 March 1979

Sir William Deakin
Chairman, British Section, Committee
on the History of the Second World War
Le Castellet
75 Var, France

Dear Sir William:

Pursuant to our discussions in London last December, I have been communicating with various members of the American Committee to explore the possibility of an Anglo-American conference to take place in late July, 1980. At the present time I can tell you that I have tentative acceptance on the part of the following, with topics as indicated. There can be revisions regarding the topics if we can establish the basics. I believe we can take care of the funding to get the American participants to England if you can provide the arrangements once there.

Policies toward China	Robert Dallek, UCLA
Use of ULTRA and other Intelligence	Stephen E. Ambrose, Univ. of New Orlean
Relations with Russia	John Gaddis, Ohio University
Secret Operations	William J. Casey (with SO of OSS during the war)
Eisenhower/Montgomery	Martin Blumenson
Plans for Germany	Donald Detwiler, Southern Illinois Univ
Relations with France	Arthur L. Funk
Joint and Combined Chiefs of Staff	Forrest Pogue
Grand Strategy	Maurice Matloff

Other possible topics: Codebreaking and Counter-Intelligence; Development of the Atomic bomb; air power; sea power.

I would very much appreciate your reaction to these developments. We spoke about a four-day conference far enough in advance of Bucharest to provide time for tourism and yet to reach Romania by August 10. Would during the week of July 28 be good? Would a weekend be better? say, the first four days in August?

Sincerely yours,

Arthur L. Funk

CC: Mr. J. J. Chadwick

App. 0456

#4 I

Funk: Telecon. 16 July 1980

Casey - Arr. 29

Dallek - arr 27.

Deutsch - G has written

Beresford Ct. Hotel - OK, Funk 24.

-Gaddis 27-

Kevles - on management.

Kronbelt : 24 OK

Matloff : 27 OK

Rocca : 26 OK

W172-CCH 1

AMERICAN COMMITTEE ON THE HISTORY OF THE SECOND WORLD WAR

#44

Arthur L. Funk, *Chairman*
Department of History
University of Florida
Gainesville, Florida 32611

Permanent Directors
Charles F. Delzell
Vanderbilt University
H. Stuart Hughes
University of California
at San Diego
Forrest C. Pogue
Dwight D. Eisenhower Institute

Terms expiring 1979
Stephen E. Ambrose
University of New Orleans
Gen. James L. Collins, Jr.
Chief of Military History
James F. Kimball
Rutgers University, Newark
Robert O. Paxton
Columbia University
James F. Peterson
Hoover Institution
Harrison E. Salisbury
The New York Times
Telford Taylor
New York City
Russell F. Weigley
Temple University

Terms expiring 1980
Martin Blumenson
Washington, D. C.
Harold C. Deutsch
Army War College
Wesley L. Falk
Office of Air Force History
Maurice Matloff
Center of Military History
Ernest R. May
Harvard University
John Toland
Danbury, Connecticut
Richard L. Weinberg
University of North Carolina
Roberta Wohlstetter
Pan Heuristics, Los Angeles
Conrad F. Ziemke
University of Georgia

Terms expiring 1981
Dean C. Allard
Naval History Division
John M. Blum
Yale University
Charles B. Burdick
San José State University
Robert A. Divine
University of Texas at Austin
Colonel A. F. Hurley
Air Force Academy
David Kahn
New York University
Peter Paret
Stanford University
Robert Wolfe
National Archives
Janet Ziegler
University of California
at Los Angeles

Donald S. Detwiler,
and Newsletter E
Department of Hi
Southern Illinois
Carbondale, Illino

Robin Higham, *Arc*
Department of Hi
Kansas State Uni
Manhattan, Kans

Book Review Coord
Robert Dallek
Department of Hi
University of Cali
at Los Angeles
Los Angeles, Cali

James J. Dougherty
National Endowm
for the Humani
Washington, D. C

Bibliography
Janet Ziegler
Reference Departm
UCLA Library
Los Angeles, Cali

American Committe
affiliated with:
American Historical
400 A Street, S. E
Washington, D. C

Comité Internationa
d'Histoire de la D
Guerre Mondiale
32, rue de Lénine
75008 Paris, Fran

July 3, 1980

Dear Mr. Chadwick:

John Gaddis informs me he would like to stay at Millbank from Sunday July 26 through Saturday August 2, checking out on Aug. 3.

Mr. Casey intends to attend and would like to stay at Millbank. However, he may not be able to get to London before the 2 th. He will let me know as soon as he can.

Attached letter is self-explanatory.

I hope to hear from you soon whether indeed the participants can check in at the Royal Hospital early, in accordance with wire I sent you. Our people would also like directions on how to get there, whom to contact, and price of accommodations.

Sincerely,

Arthur L. Funk

Arthur L. Funk

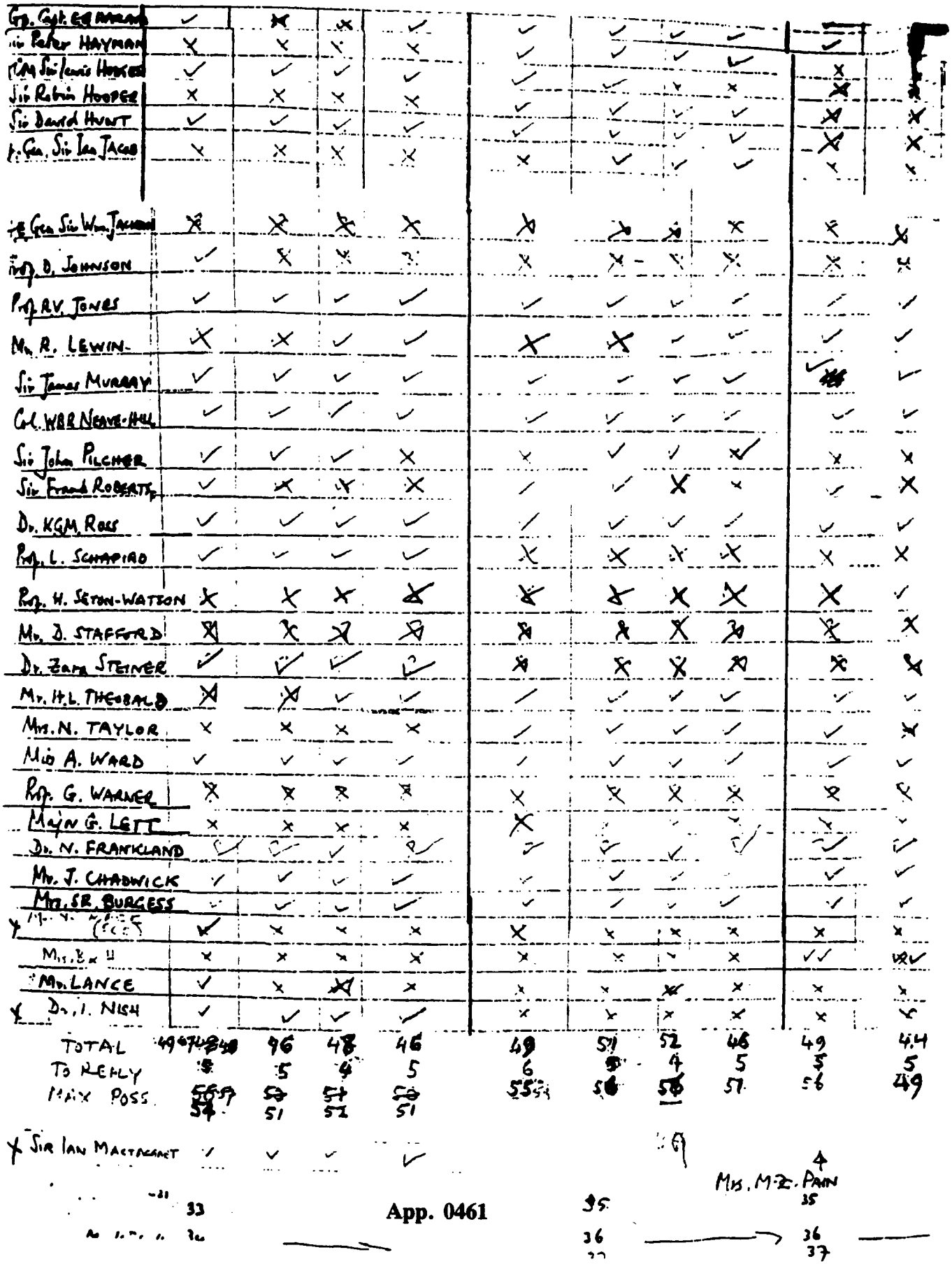
Please book Gaddis into on hotel from am. of Fri 1 Aug noon on 3 Aug.

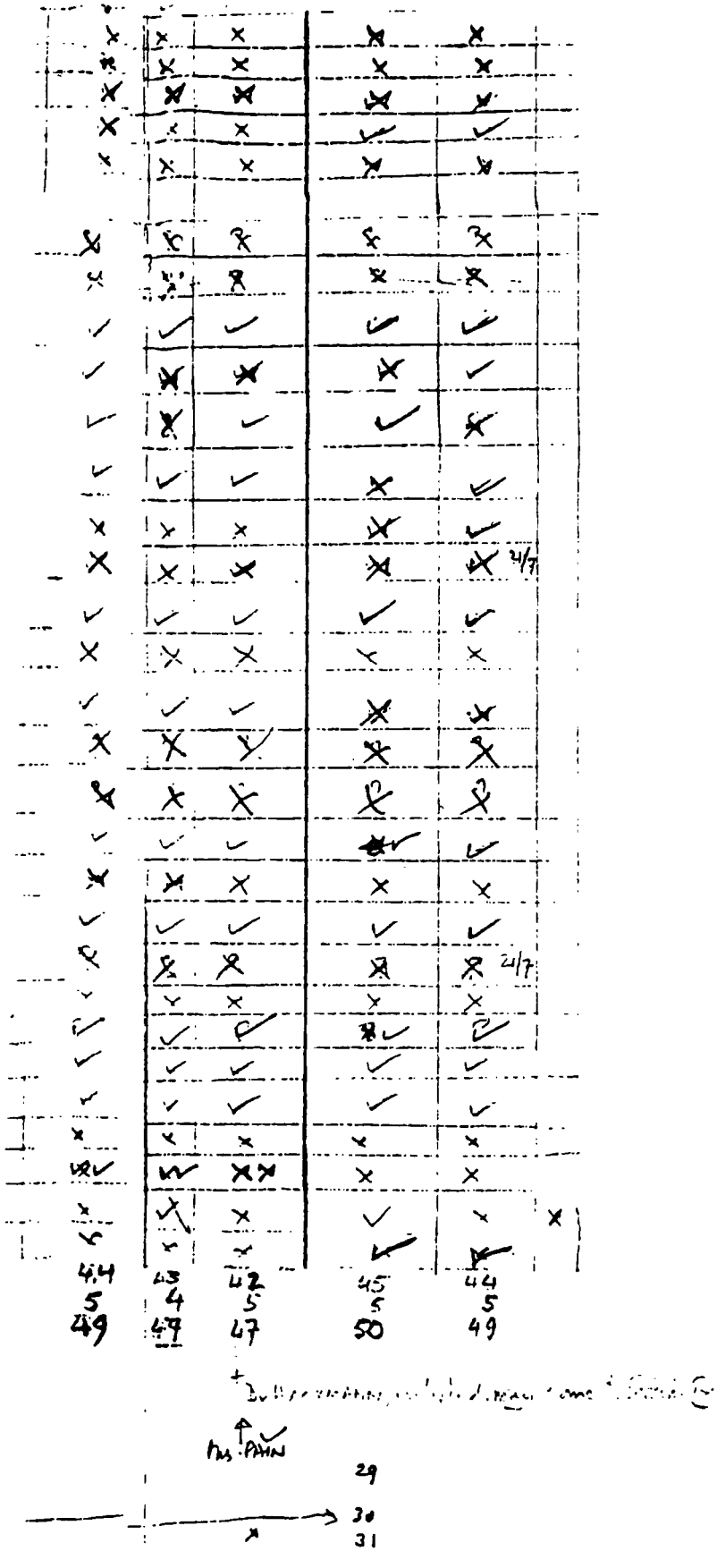
NAME	MONDAY 28 JULY I OPENING	II CHINA	LUNCH	III RUSSIA	TUESDAY 29 JULY IV SECRET OPERATIONS	V ROOSEVELT & CHURCHILL	LUNCH	VI ITALIAN CAMPAIGN	VII ULTRA	MEETING WITH THE FRENCH
Mr. Frank BARNETT	✗	✗	✗	✗	✓	✗	✗	✗	✓	✗
Prof. Martin BLUMENSON	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Wm. J. CASEY	✓	✓	✓	✗ Came after	✓	✓	✓	✓	✗	✗
Prof. Philip CROWL	✓	✗	✓	✓	✗	✗	✗	✗	✗	✗
Prof. Robert DALLEK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Col. Dr. C. DE BUSSY	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Prof. Harold DEUTSCH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Arthur FLEEK	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. John L. GADDIS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Daniel KEVLES	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Prof. Warren KIMBALL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Maurice MATLOFF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Samuel PROCTOR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Louis ALLEN	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓
Mr. Philip BELL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ralph BENNETT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. David BROWN	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓
Sir William DEAKIN	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Martin GILBERT	✗	✗	✓	✓	✓	✓	✓	✓	✗	✗
Prof. Maynard GWYNN	✗✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Michael HOWARD	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓
Mr. Nigel NICOLSON	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Air Cdre H. PENROSE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. DC WATT	✓	✓	✓	✓	✓	✓	✓	✓	✗✓	✓
Dr. H. PAAPE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Olav RISTE	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Mr. T. VANWELKENHUYZEN	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Miss E. BARKER	✗	✗	✗	✓	✓	✓	✓	✗	✓	✓
Lord BRIMELOW	✓	✓	✓	✓	✗	✗	✗	✗	✓	✗
Miss D. BUTLER	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗
Mr. P. CALVOCORESSI	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. D. CHANDLER	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Prof. D. DILKS	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Prof. MRD FOOT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. J. GARLINSKI	✗	✗	✗	✓	✓	✓	✓	✓	✓	✗
Mr. G. HARTCUP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gp. Cpt. EG PARRY	✓	✗	✗	✓	✓	✓	✓	✓	✓	✓
Sir Peter HAYMAN	✗	✗	✗	✗	✓	✓	✓	✓	✗	✓
[illegible] Sir Denis HOLMES	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓
[illegible] Robin HOOPER	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗
[illegible] d HUNT	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗

App. 0459

92-225
w/ 92-[illegible]
221

	30 July		Thursday 31 July		
	LUNCH	IX SCIENCE	X ORAL HISTORY	XI CLOSING SESSION	ACADEMY


Gp. Capt. EG Arnold
Sir Peter Hayman
RAdm Sir Louis Hooper
Sir Robin Hooper
Sir David Hunt
Lt. Gen. Sir Ian Jacob
Lt. Gen Sir Wm. Jackson
Prof. D. Johnson
Prof. R.V. Jones
Mr. R. Lewin
Sir James Murray
Col. WBR Neave-Hill
Sir John Pilcher
Sir Frank Roberts
Dr. KGM. Ross
Prof. L. Schapiro
Prof. H. Seton-Watson
Mr. D. Stafford
Dr. Zara Steiner
Mr. H.L. Theobald
Mrs. N. Taylor
Miss A. Ward
Prof. G. Warner
Major G. Lett
Dr. N. Frankland
Mr. J. Chadwick
Mrs. SR. Burgess
Mrs. Fox
Mrs. Fox II
Mr. Lance
Dr. I. Nish
TOTAL
TO REPLY
MAX POSS
Sir Ian Mactaggart
Mrs. M.E. Pain
App. 0461


4/7
4/7
44
5
49
43
4
47
42
5
47
45
5
50
44
5
49
MS. PAIN
29
30
31

R.A.M.C. HEADQUARTER OFFICERS' MESS, MILLBANK, SW1P 4RJ

MESS BILL FOR July 1980

Registered Design No. 886400

RANK	INITIALS	NAME	LIVING IN/OUT/CAS/TEMP DUTY	MESS NO.
MR	N	Casey		404

VAT No. 240 5592 74

CHEQUES PAYABLE TO
R.A.M.C. HEADQUARTER MESS

	Mess Charge	Messing	Bar	Laundry	Service Charge	Billiards /Squash	Potty Cash	Mess Subscription		Daily Total	Prog. Total
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27					2 50					2 50	2 50
28		70			2 50					3 20	5 70
29		70								70	6 40
30											
31											
		1 40			5 00						6 40
	A	B	C	D	E	F	G	H	I		

Monthly Charges	
A. Mess Charge	
B. Messing	1 40
C. Bar	
D. Laundry	
E. Service Charge	5 00
F. Billiards / Squash	
G. Potty Cash	
H. Mess Subscription	
I.	
	6 40
Mess Subscriptions	
Staff Gratuities	20
Garage	
Periodicals	
Guest Night	
Guest Night - Bar	
Cocktail Party	
Amount Due	6 60
Brought Forward	
Total	6 60
Credit	
Net Amount Payable	£6 60

10 Sum.
3-711

BRITISH AIRWAYS

92 OCT 34 AM 11:34

22nd October 1992

Douglas Edmondson Esq.,
Special Agent,
October Surprise Task Force,
Ford House Office Building,
Room 175C,
Third & D St. SW,
WASHINGTON DC 20515

Dear Mr. Edmondson,

Further to our telephone conversation of Tuesday, I have extracted copies of the British Airways schedule for Concorde, San Francisco and Madrid. Please find a copy attached.

I am still investigating whether we still hold reservations records going back to 1980. In the meantime, can you please write to me specifying more exactly the information you are looking for. Can you also include in your letter the name and telephone number of a guarantor who is able to verify to British Airways the authenticity of the October Surprise Project, and your own role therein, and we will see what we can do to assist, subject of course to legal advice.

Yours sincerely,

Ray Grainger
GM CAPACITY MANAGEMENT

App. 0464

Speedbird House
Heathrow Airport London
Registered in England No 1

British airways

All services timetable

No.1

1 April–
25 October 1980



App. 0465

SAN DIEGO — LONDON

DEPART San Diego, Lindbergh International Airport (Minimum check-in time 30 mins)
ARRIVE London, Heathrow Airport, Terminal 3

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Air-craft	Class & Catering	Connections (Arrivals) ABZ	BFS	BHX	DUB	EDI	GLA	INV	JER	MAN	NCL
Daily ex Se to 25 Apr	1620	1335†	Los Angeles	arr 1655 dep 1830	PS317 BA282	727 747 (a)	FY FCM ✕	1705	1740	1820	1725A 1825	1650	1725	1805D		1640A	1610A 1820
Daily ex Se from 27 Apr	1620	1235†	Los Angeles	arr 1655 dep 1830	PS317 BA282	727 747 (a)	FY FCM ✕	1705§ 1710§	1540	1620	1515§ 1540	1650	1525	1805D		1440	1450A

(a)— 010 on We

† — Next day

SAN FRANCISCO—LONDON

DEPART San Francisco, International Airport (Minimum check-in time 60 mins)
ARRIVE London, Heathrow Airport, Terminal 3

SFOLHR

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Air-craft	Class & Catering	Connections (Arrivals) ABZ	BFS	BHX	DUB	EDI	GLA	INV	JER	MAN	NCL
Daily from 27 Apr	1800	1200†	non-stop		BA286	747	FCM ✕	1705§ 1710§	1540	1620	1435	1450	1525	1640E 1805D		1440	1450C 1610A
Daily ex We Fr to 26 Apr	1800	1300†	non-stop		BA286	747	FCM ✕	1705	1540	1620	1540	1650	1525	1640E		1640	1610

† — Next day

SEATTLE—LONDON

DEPART Seattle-Tacoma International Airport (Minimum check-in time 45 mins)
ARRIVE London, Heathrow Airport, Terminal 3

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Air-craft	Class & Catering	Connections (Arrivals) ABZ	BFS	BHX	DUB	EDI	GLA	INV	JER	MAN	NCL
Tu Th Su from 27 Apr	2045	1350†	non-stop		BA288	747	FCM ✕	1705§ 1710§	1740	1820	1725	1650	1725			1640	1610

† — Next day

SEYCHELLES—LONDON

DEPART Seychelles, Mahe Airport (Minimum check-in time 105 mins)
ARRIVE London, Heathrow Airport, Terminal 3

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Air-craft	Class & Catering	Connections (Arrivals) ABZ	BFS	BHX	DUB	EDI	GLA	INV	JER	MAN	NCL
Mo	1915	0510†	Bahrain		BA062	747	FY ✕	0850§ 0855§	0940		0910	0850	0925	0950	0925	0840	0845
Th 3 Apr	2250	1140†	Nairobi Khartoum Cairo		BA060	VCX	FY ✕	1435	1540	1620	1435	1450	1525			1440	1450
Su	0710	1820	Bahrain Zurich		BA068	747	FY ✕	2125§	2140		2100	2050	2125	2100	2120	2140	2130§

† — Next day

From 27th April, we'll be landing at Seattle, gateway to North West USA and Western Canada.
We'll be flying there non-stop by 747 three times a week.

British airways
We'll take more care of you.

T3136

App. 0466

31.7.80. 1. Arrived [illegible] Cairo at Kings X 28.7.80

2. Imperial War Museum 28.7.80

[illegible] with Lord Chancellor's Regalia in Imperial War Museum 1930 hrs
2030 dinner at Lord Carrington's, Hyde Park Gate, with Frank.
Brief historical talk on the History of the Lord Chancellor
& Regalia

3 Flight 29/30.7.80 0515 JR Andrews AF

4. 0900 29.7.80 – American Embassy Court Buckingham Palace
Entrance instructions by Security Guard at Embassy.
Seen by Ambassador & Staff at various offices Afternoon visit to JAPAN
Tea with Lord Carrington
Lunch RAF Club with Air Marshal & Mrs Lee (Mrs)
USA and visit Washington, London in transit
for Paris Negotiations
1930 Entertainment Mr & Richard Long Mr + Jan re 2nd Visit
1st visit – previously approved visit – to part play
1700 – 1911 Return to 65 JR A.S.

5. 30.7.80: 0930 Imp. War Museum Entrance Alt Door.
Spoke pr. re Lord Chancellor's Robes &c.
1930 Special Branch Club Dinner for Rupert Morris
Called at Carlton Club
2400. Entertained Alan Morris, accompanied from Ballet
at Hyde Park Corner.
Sandhurst Reunion Stephen

6. 31.7.80 0930 Imp. War Museum. Spoke again.
Lunch OK Carlton Club Bought D.J. at Burton's Regent St.
2030 Rosemary & Naomi Adrian

7. Morning. Draft article Spoke to Finis Phillips.
at Imp. War Museum until 2000 hrs 29.7.80

App. 0467

7.80 1. Official History Commission of Vol II sent to Thursday Today

2 Garden: 2 books up of correspondence.

3 V dull week so far – hardly any post,

4. Work again of Frankly Noble about Bank,

5 I.S. Robertson wants of go to all Episcopal Church.

6. Nearly 1,400,000 unemployed?

7. Ernest Saunders, N.Z.P.M. re Butler and E.C.M.

8. RS heralds out.

9. Ultrasonics. V many inserts with epoxy penetrant

7.80 2125 ex Aberdeen → King (X. (10) AR

1. Case article re Bank of Britain – chapter of Herbert 1844 24.7.80.

2. Successor: Roman Brig telephones Wednesday re visit next visit.

3 Organ: Gun Paper says new Union coupler.

It has come to succeed in finding mechanical & the simple mechanism Bolivia Ecuador

4. Garden: much weeding – rain starts mid afternoon + today

5 Andrew Lewis called 21.7.80.

6. Ultrasonics: rather more promising with mixed portion

7. Glenrothes bath: flow meters and £50 of Blair Atholl Estate.

8. Bank various hq moves re E'Adin

9. Inverness Cathedral Bell: little rock, much rain and mist

(Test match at The Oval resumes 26.7.80)

10. Future of Inverness Castle Ken Blaxell 23.7.80

11. Spoke Malcolm Charlton (Athletics) 25.7.80.

12. Ken Rankin says second Canadian well has oil

13. Think First Radio: Meeting re Manchester 24.7.80 & lunch Andrew-Lewis-Shaw offices. Work Andrew Lewis 25.7.80.

App. 0468

7.80 1. Official History Committee [illegible] Vol II sent to Thursday Friday

2. Garden: 2 beans up [illegible] cottonpicker.

3. V. dull week so far – hardly any post,

4. Work again [illegible] Trade about Bank?

5 J.S. Robinson wants [illegible] to [illegible] Episcopal Church.

6. Trade 1,400,000 unemployed?

7. Work Thursday, N.Z.P.M. v. Queen over E.C.M.

8. R.S. Nevals out.

9. Ultrasonics: V. many uses will convey practically

80 3/25 ex Aberdeen → King's X TC AS

1. Came across Garden of Britain – map of [illegible] Hops 24.7.80

2. Successor Roman King Tiberius Caesar or via Saint Peter.

3. Organ Grinder Papal says new Christian Crusade.

It was done v. successfully by Pandy Mustapha & the Pimps
in Cardiff Bristol Exhibition

4. Garden: much weeding – cannot reach with Xmas + holiday

5. Andrew Lewis called 21.7.80.

6. Ultrasonics: rather more promising with mixed parties

7. Glenrafford path: stones missing and £50 [illegible] Hair Artists in Front.

8. Bank: cashier by name of C'Adler

9. Croatian Communist Party Girl's name, much rain over Mid
(Test match at The Oval suspended 26.7.80)

10. Future of Communism collapse. Ken Blaxall 23.7.80.

11. Spoke Malcolm Church (Telephone) 25.7.80.

12. Ken Kendall says second Canadian well has oil.

13. Think First Radio: Meeting in Hardcliffe 24.7.80 & discuss Andrew Lewis' Show offer. Notify Andrew Lewis 25.7.80.

App. 0469

22.7.80 1. Official History Committee of Vol II sent to Hinsley today

2. Gowrie: 2 years up & extension

3 V dull week so far - hardly any press

4. Work again on Prayer Book about Baptism,

5 I.S. Robinson wants to go to Episcopal Church.

6. Nearly 1,400,000 unemployed?

7. Great thunder, N2PM in Bonn and E C M.

8. RS medals out.

9. Ultrasonics. V many workers with epoxy pneumatic

27.7.80 2125 ex Aberdeen → King's X. 10° AE

1. Care service in Church of Britain - chaps & Robert Aff 24/7

2. Successor Dean Gloucester telephoned today re visit Sept 6th.

3 Epigram: Sun dare say one Union occasion.

> Oh was ever Succession of speaking mothers & other simple women Bulwer Lytton

4. Garden: much weeding - cannot reach with Xmas + 10 days.

5. Andrew Lewis called 21.7.80.

6. Ultrasonics: rather more promising with mixed epoxies

7. Edinburgh talk: Jones mentions need £50 & Phil Archer & Hunt.

8. Bath: Evening engagement at Theatre

9. Invalid Commission ends Sixth week, much rain and mud

(First match at The Oval scrapped 26.7.80)

10. Future of Commission discussed Ken Blaxter 23 7 80.

11. Spoke Malcolm Church (Methodist) 25.7.80.

12. Ken Rowntree says second Canadian will have cold

13. Think First Radio: Meeting in Manchester 24.7.80 & discuss Andrew Lewis' Shares offer. Letter Andrew Lewis 25.7.80.

22.7.80 1. Official History Committee W Vol II sent to Hendry today

2. Gander: 2 hours up W Corinthians.

3. V dull week so far - Landry and party.

4. Work again W Hawley Noble about Barth.

5 I.S. Robertson wants W go W All Episcopal Church.

6. Nearly 1,400,000 unemployed?

7. Work Hendry, N 2 PM in Bute and E C.M.

8. RS Nevada out.

9. Ultrasonics. V. many worms with epoxy penetrant

27.7.80. 2125 ex Aberdeen → King X AE

1. Care service in Church of Britain - chapel W Pentecost 1444 247.

2. Successor Duncan Greig telephoned Wednesday re visit Sunday Oct.

3. Organ, Gen Assembly says new Minister occasion.

> In case error in succession in Presbyterian Churches and the Synod Church Edinburgh

4. Gander: much wedding - Canon Hatch with Dennis + 10 Day.

5 Andrew Lewis called 21.7.80.

6. Ultrasonics: rather more promising with mixed powder

7. Edmonton 24th: Annual meeting at 7.30 W Pilgrim Aurora & Hunt.

8. Bute: Service by Dennis in Old Aisle

9. Invalid Communion set: Gibbs sick, much rain and mist
(Last Parish at The Vale Evening 26.7.80)

10. Future of Church, called on Ken Blakely 23.7.80.

11. Spoke Malcolm Church (Telephone) 25.7.80.

12. Ken Rankin says second Canadian will not sit

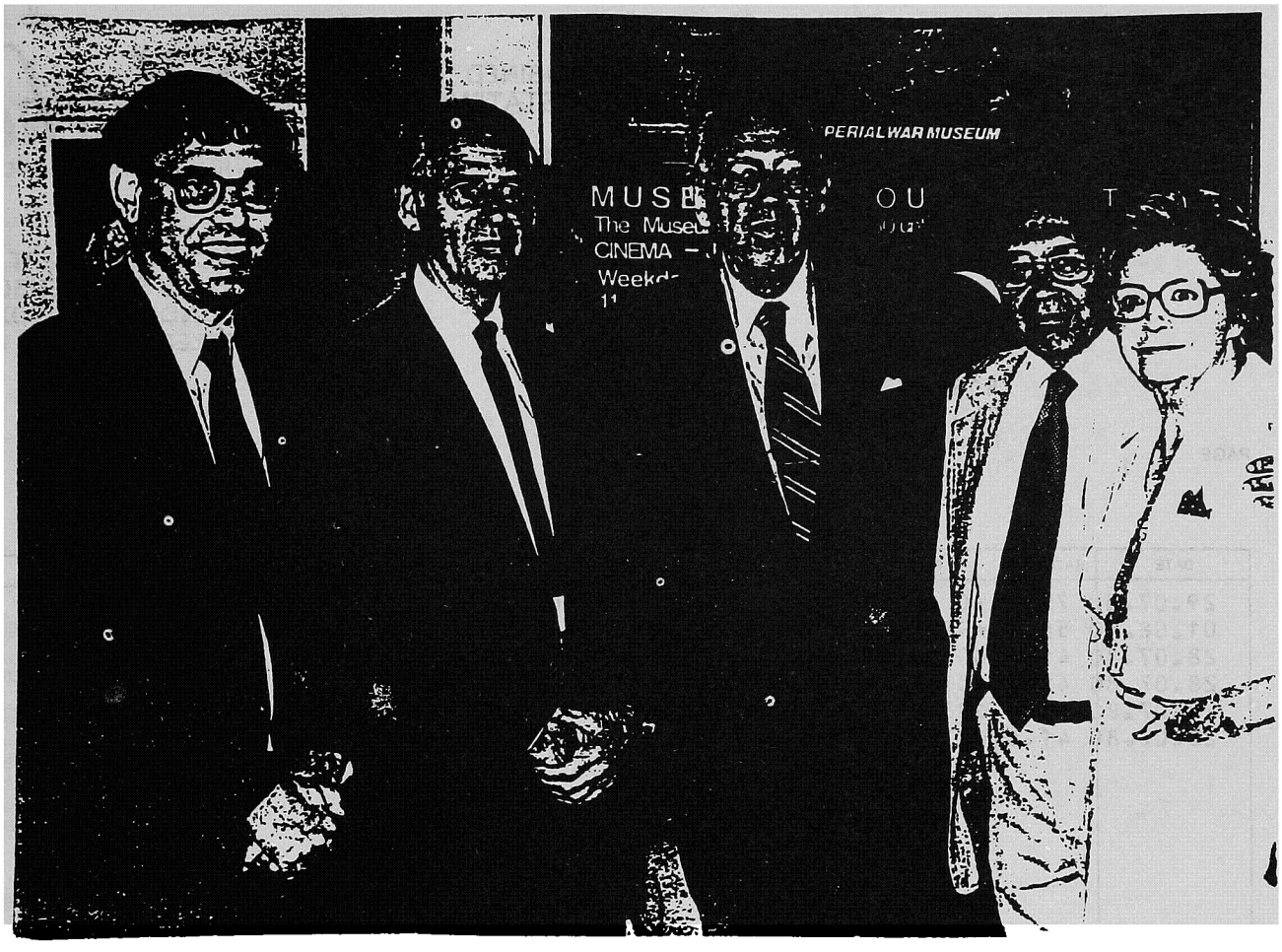
13. Invite First Radio: Meeting in Parish 24.7.80 & discuss Andrew Lewis' Show offer. Write Andrew Lewis 25.7.80.

K. V Jones.

If found,
please return to
Natural Philosophy Department,
University of Aberdeen,
ABERDEEN AB9 2UE
SCOTLAND.

Start 1 8 79

End 23 10 82.



App. 0473

#7

BY APPOINTMENT TO H.R.H. THE DUKE OF EDINBURGH BOOKSELLERS

BY APPOINTMENT TO HER MAJESTY THE QUEEN BOOKSELLERS

BY APPOINTMENT TO H.M. QUEEN ELIZABETH THE QUEEN MOTHER BOOKSELLERS

COMBINED
INVOICE/STATEMENT

VAT Registration No. 238 6044 59
TYPE OF SUPPLY CREDIT SALE

Hatchard
187 PICCADILLY, LONDON W1V

ACCOUNTS DEPT.
18/20 STEPHENSON WAY
LONDON NW1 2DX
TELEPHONE 01-388 7771

MR W J CASEY
ROGERS & WELLS
TWO HUNDRED PARK AVENUE
NEW YORK N.Y. 10017
UNITED STATES OF AMERICA

27 AUG 1980

PAGE

ACCOUNT No.

DATE	BATCH NO.	REF	DESCRIPTION	QTY	DEBIT	CREDIT	BAL
29.07.80	7999	*000000	BALANCE BROUGHT FORWARD		87.40		
01.08.80	5824	*999999	CASH RECEIVED			10.70	
28.07.80	4146	G035980	SPECIAL OPERATIONS EUROPE	1	8.50		
28.07.80	4146	G035980	TOP SECRET	1	4.95		
28.07.80	4146	G035980	WHO DARES WINS	1	8.95		
28.07.80	4146	G035980	MASTER OF DECEPTION	1	9.95		
				DOLLAR EQUIVALENT:-		257.35	

CASH RECEIVED AND CREDITS PASSED AFTER THE END OF MONTH WILL BE SHOWN ON NEXT STATEMENT
RECEIPTS WILL ONLY BE ISSUED ON REQUEST

THIS ACCOUNT IS MADE UP TO DATE SHOWN ABOVE (UNDER TELEPHONE NUMBER) AMOUN

rder Office: 187 PICCADILLY, LONDON W1V 9DA. TELEPHONE 01-439 9921 (10 Lines) *Ansaphone Service available outside office hours.*

App. 0474

LHR NYC (SSC)

LONDON—NEW YORK

DEPART London, Heathrow Airport, Terminal 3 (Minimum check-in time 60 mins:
BA Concorde & First class 45 mins)
ARRIVE New York, J F Kennedy International Airport, British Airways-Air Canada Terminal

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Aircraft	Class & Catering	Connections (Departures) ABZ	BFS	BHX	DUB	EDI	GLA	NV	LER	MAN	NCL
Daily ex We Fr to 24 Jul	0930	0825(y)	non-stop		BA173	SSC	R ✕	0705C | 0730							0730	0720B	0720
Daily from 3 Sep	0930	0825	non-stop		BA173	SSC	R ✕	0705C | 0730							0730	0720B	0720
Daily	1100	1335(y)	non-stop		BA175	747	FCM ✕				0830§ | 0730§		0730			0820A | 0720B	
Daily	1115	1010(y)	non-stop		BA171	SSC	R ✕	0800F | 0705C	0730	0855	0900	0740B	0905C | 0730	0820B	0730	0920	0720
Daily	1500	1735(a) | (y)	non-stop		BA177	747 (a)	FCM ✕	1120C | 1000F	1230	1130	1235	1140	1205	1100E	1000	1120	1125C
Daily	1815	2105(b) | (y)	non-stop		BA179	EQV (b)	FCM ✕	1510C | 1305F	1430	1430C	1530	1540	1405		1520	1530C	

a— 1710 on certain days 4 Apr-28 May
5 minutes later on certain days in OCT (EQV)
b— 15 minutes earlier on certain days
1 Apr-1 Jun (L10)
y— One hour earlier until 26 Apr

MANCHESTER—NEW YORK

DEPART Manchester Airport (Minimum check-in time 60 mins)
ARRIVE New York, J F Kennedy International Airport, British Airways-Air Canada Terminal

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Aircraft	Class & Catering	Connections (Departures) DUB
Daily to 30 Apr	1230	1605(y)	Glasgow P I K		BA185	707	FCM ✕	0900C
Tu Fr Su from 2 May	1230	1615	Glasgow P I K		BA185	747	FCM ✕	0900§

y— One hour earlier until 26 Apr

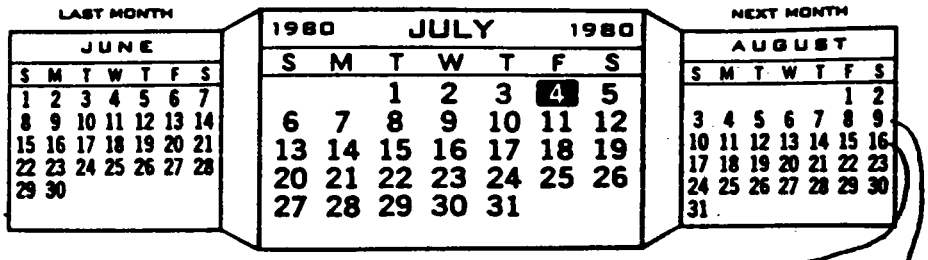
LONDON—NICE

DEPART London, Heathrow Airport, BA flights: Terminal 1 (Minimum check-in time at pier gate 20 mins)
Other flights: Terminal 2 (Minimum check-in time 25 mins)
ARRIVE Nice, Cote d'Azur Airport

Frequency	Aircraft Dep	Aircraft Arr	Via	Transfer Times	Flight	Aircraft	Class & Catering	Connections (Departures) ABZ	BFS	BHX	DUB	EDI	GLA	NV	LER	MAN	NCL
Daily	1100	1350(y)	non-stop		BA342	310 (a)	FY ✕	0800F | 0705C	0730	0855	0900	0740B	0905C | 0730	0820B	0730	0920	0720
Daily 8 Apr-27 Sep	1400	1645	non-stop		AF951	483	Y (b) ⑂	1020C | 1000F	1030	1130	1115	0940	1005		1000	1120	1125§ | 0930C
Tu Fr Sa to 5 Apr	1500	1545	non-stop		AF951	483	FY ⑂	1120A | 1000D	1030	1130	1115	1140	1205		1000	1120	1125A
Daily from 28 Sep	1500	1545	non-stop		AF951	483	Y ⑂	1120C	1030	1130	1215	1140	1205	1100E	1000	1120	1125

a— TRD on Tu We
b— FY 8 Apr-19 Apr
y— One hour earlier until 5 Apr and from 28 Sep

App. 0475



WED. **30** JULY Dem Victory offices

Brilliant

3:30 Max - Washgtn

6:45 Dinner - George Buck - Alibi Club

DAY OF THE YEAR
212 -

WEDNESDAY, JULY 30

DAYS REMAINING
- 154

App. 0476

of [redacted]

Phone 789-7645
Area Code Number Extension

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message

Operator

EFFICIENCY® LINE NO. 6725 AN AMPAD PRODUCT
CARBONLESS

of

Phone 481-6660
Area Code Number Extension

TELEPHONED	X	PLEASE CALL	X
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message 291147

Operator

EFFICIENCY® LINE NO. 6725 AN AMPAD PRODUCT
CARBONLESS

To Dolan

Date 7/24 Time

WHILE YOU WERE OUT

M Anne Cogan

of

Phone
Area Code Number Extension

TELEPHONED	X	PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message

Operator

EFFICIENCY® LINE NO. 6725 AN AMPAD PRODUCT
CARBONLESS

To Jim Baker

Date 7/24 Time 2:50

WHILE YOU WERE OUT

M Jennifer Fitzgerald

of

Phone 281-2233
Area Code Number Extension

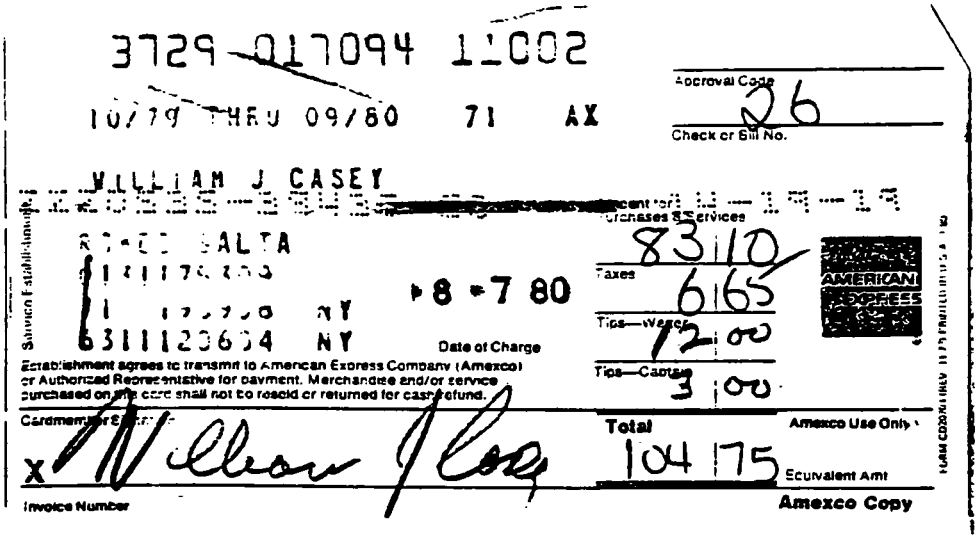
TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

AMP
Message Jr forgot Jenn
Brant Alisi Cl
July 30 1806 L St NW
6:45 PM til 9 P.M.
THE

R.S.V.P. Operator Justine

EFFICIENCY® LINE NO. 6725 AN AMPAD PRODUCT

App. 0477



3729 017094 11002

10/79 THRU 09/80 71 AX

Approval Code 26

Check or Bill No.

WILLIAM J CASEY

[redacted]

[illegible] SALTA

[illegible] NY

631123634 NY

8-7 80

Date of Charge

Purchases & Services 83 10

Taxes 6 65

Tips—Waiter 12 00

Tips—Captain 3 00

Total 104 75

Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

Cardmember Signature

x William J Casey

Invoice Number

Amexco Use Only

Equivalent Amt

Amexco Copy

00 440338

LAST MONTH

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1980 AUGUST 1980

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NEXT MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

THUR. 7 AUG.

9:00 - 9:30 - Debate Strategy Tea

1:00 - Dr. Grayson

2:00 Dr Wertheimer re Jim Baker re Budget

DAY OF THE YEAR
220 -

THURSDAY, AUGUST 7

DAYS REMAINING
- 146

App. 0479

LAST MONTH

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1980 AUGUST 1980

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NEXT MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

FRI. **8** AUG.

jr 15 - Dr Grayson

1 - Dailey

Eugene McCarthy - denver

DAY OF THE YEAR
221 -

FRIDAY, AUGUST 8

DAYS REMAINING
- 145

App. 0480



The Creek

Locust Valley
Long Island, N.Y. 11560
516-0R6-1405

C390

C390 WM J CASEY
%ROGERS & WILLS
200 PARK AVE
NEW YORK NY 10017

AUG 31,1980

DATE	DESCRIPTION		CHECK NO.	AMOUNT	SERVICE CHARGE	SALES TAX	TOTAL
	HOUSE CHARGE BALANCE						134.62
08	FOOD DECK	18	00969	12.00		84	12.84
08	BEVERAGE DECK	24	01191	27.50		1.93	29.43
30	FOOD	10	25515	210.00		14.70	224.70
30	BEACH BEVERAGE	84	09416	10.00		70	10.70
31	BEVERAGE DECK	24	00306	2.50CR		18CR	2.68CR
31	BEVERAGE DECK	24	00307	12.50CR		88CR	13.38CR
	DUES BALANCE						9.92
	TOTAL TAX					17.11	
	INTEREST CHARGE					1.47	
	HOUSE CHARGE BALANCE						397.70

A DELINQUENT CHARGE OF 1 1/2% PER MONTH WILL BE ADDED TO ALL INDEBTEDNESS WHICH REMAINS OUTSTANDING FOR OVER 60 DAYS.

PLEASE PAY LAST AMOUNT SHOWN

TO INSURE PROPER CREDIT, PLEASE DETACH AND RETURN STUB WITH REMITTANCE.



The Creek
Locust Valley, Long Island, N.Y. 11560
516-0R6-1405

AUDIT NUMBER AND NAME

8.31.80

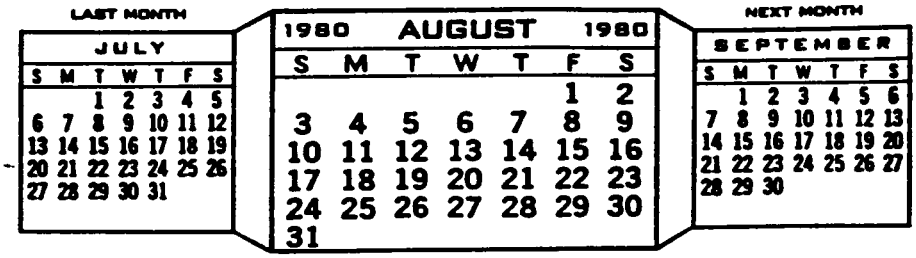
C390 WM J CASEY
%ROGERS & WILLS
200 PARK AVE
NEW YORK NY 10017

MEMBER'S COPY

DUES ACCOUNT BALANCE DUE	HOUSE ACCOUNT BALANCE DUE
9.92	397.70
AMOUNT PAID	AMOUNT PAID

516-0R6-1405

App. 0481



MON. **11** AUG.

Republican State Chairman

5:30 - 8:00 Charles Peetham

DAY OF THE YEAR
224 -

MONDAY, AUGUST 11

DAYS REMAINING
- 142

App. 0482

LAST MONTH

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1980 AUGUST 1980

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NEXT MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

WED. **13** AUG.

~~7:00 Staff Meeting~~

lunch with Ed Meese

3:00 - Bob Bromley

5:00 - Corp rm.
Pete Dailey et al

T. Dent

DAY OF THE YEAR
226 -

WEDNESDAY, AUGUST 13

DAYS REMAINING
- 140

App. 0483

[illegible] 96

10/79 THRU 09/80 71 AX [redacted]

WILLIAM J CASEY

[illegible] 8 14 80 127 00

10 16

18 50

Total 155 16

Amexco Copy

00 656453

LAST MONTH								1980	AUGUST	1980						NEXT MONTH							
JULY																SEPTEMBER							
S	M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S	
			1	2	3	4	5						1	2			1	2	3	4	5	6	
6	7	8	9	10	11	12		3	4	5	6	7	8	9		7	8	9	10	11	12	13	
13	14	15	16	17	18	19		10	11	12	13	14	15	16		14	15	16	17	18	19	20	
20	21	22	23	24	25	26		17	18	19	20	21	22	23		21	22	23	24	25	26	27	
27	28	29	30	31				24	25	26	27	28	29	30		28	29	30					
								31															

THUR. 14 AUG.

7:00 Staff Meeting

11:30 Drew Lewis

3:00 Charlie Peckham

[redacted]

[redacted] Doc Daley, Norfolk etc

8:15 - Ann Dore

227 - THURSDAY, AUGUST 14 - 139

App. 0484

ATTACHMENT 1

92-

UNITED STATES GOVERNMENT
Memorandum

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

DATE: December 10, 1992

FILE: ADP-1-IM:E JRM

TO: Jim King, OE

FROM: Director, Office of Enforcement Systems

SUBJECT: Search Results

As you requested, my office performed a search of the airport query archive files from 1980 using the following search parameters that you provided.

William Casey	3/13/13
William Casey	any date of birth
Bill Casey	3/13/13
Bill Casey	any date of birth
John Shaheen	10/24/15
John Shaheen	any date of birth
Ahmed Omshei	any date of birth

The attached printout, with annotations, shows the results. In summary, we had:

- Ahmed Omshei - no matches
- John Shaheen
  - 4 exact matches (DOB 10/24/15)
  - 1 possible match (DOB 00/00/15)
  - 3 unlikely matches (various DOB)
- Bill Casey - 1 unlikely match (DOB 00/00/28)
- William Casey - no exact matches
  - 1 possible match (DOB 00/00/13)
  - 4 possible matches (DOB 00/00/00)
  - 49 unlikely matches (various DOB)

Please let me know if you need any further information.

Rod MacDonald

Attachment

App. 0485

LAST MONTH

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1980 AUGUST 1980

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NEXT MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

FRI. 15 AUG.

9:30-11:30 Peter Rita & Mr Peters

Donna meeting

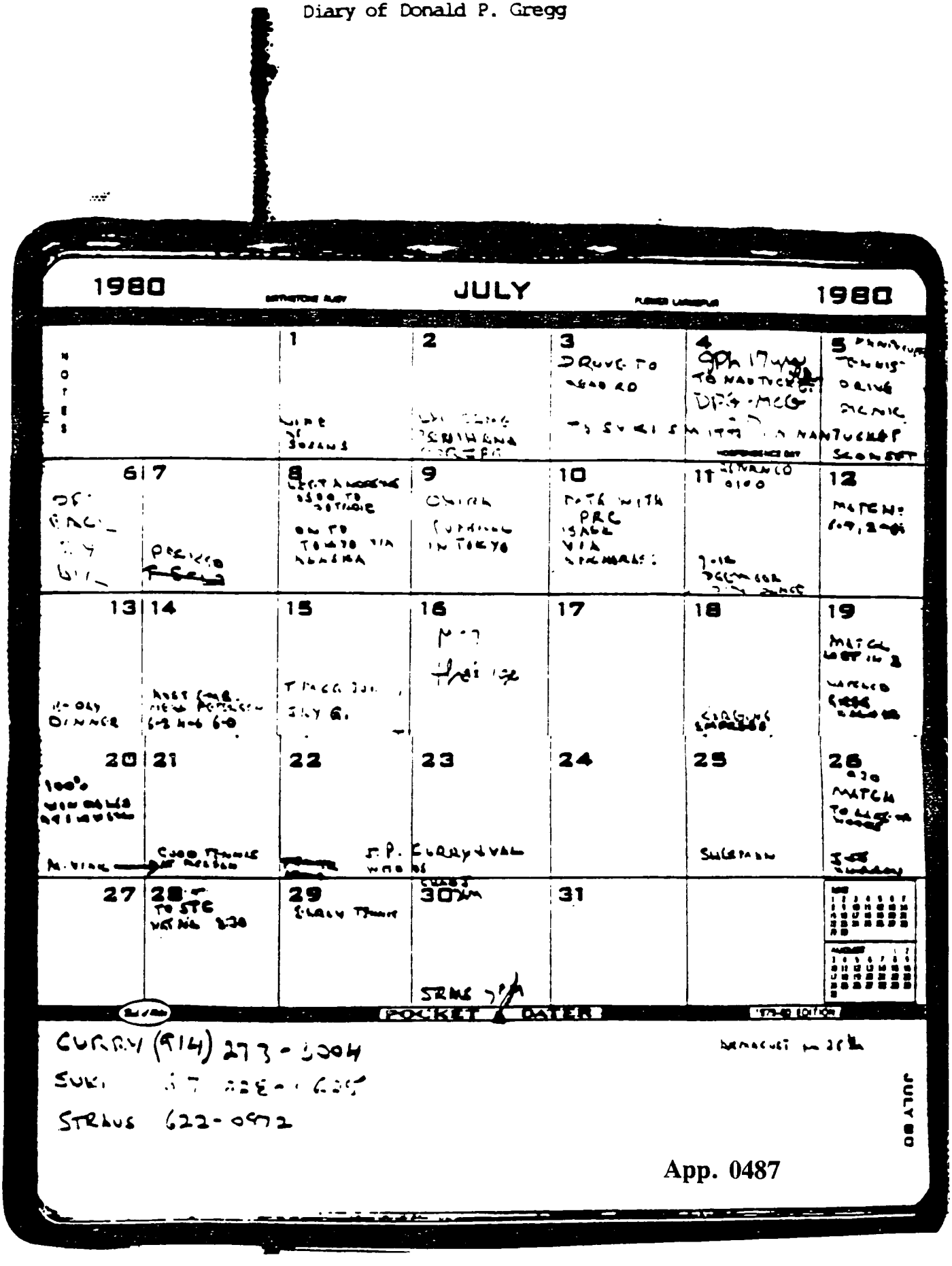
7-

DAY OF THE YEAR
228 -

FRIDAY, AUGUST 15

DAYS REMAINING
- 138

App. 0486



1980 JULY 1980

NOTES		1	2	3	4	5
				DRIVE TO [illegible]	9ph 17yyz TO NANTUCKET DPG-MEG	DRIVE PICNIC
6	7	8	9	10	11	12
			CHINA	DATE WITH PRC ISSUE VIA		
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

POCKET DATE BOOK

CURRY (914) 273-5004

SUKI [illegible]

STRAUS 622-0572

JULY 80

App. 0487

Personal Diary of Margaret C. Gregg

1980 JULY JUILLET JULI JULIO

Memorial Hosp. Topeka

27 SUNDAY DIMANCHE LINGGAE DOMINGO

Mike Branch 5:45 TWA late
Stanley Ann
Harrisons Young Leave
Leave

28 MONDAY LUNES

Georgia Aires Reg for Supper

Mrs. Pearman call - 11:30

29 TUESDAY MARDI DINSDAG MARTES

Rick Tribbett Lk photog
Lv 9:30 BF books
9-12

30 WEDNESDAY MERCREDI MITTWOCH MIÉRCOLES

622-0972 Lv OCT Shawnee Dr
Jacky Dr: A 7:30 Becky
Wheeler 365-
Wagner Chas Sales Rep Lv: Inv
Friends - Gaetano

31 THURSDAY JEUDI DONNERST JUEVES

Lv D 126 Mon 116 to Mon
Lake of the Woods

AUGUST AOÛT AUGUST AGOSTO

1 FRIDAY VENDREDI FREITAG VIERNES

Wagner Recep
11:50 Betty Wheeler
Lunch - 1:45 LSG
Dinner for Evelyn Colbert

2 SATURDAY SAMEDI SAMSTAG SABADO

9-12 4:45 6:
Lv F 101 St. Pick Adam
11:00 All Saints White Truck JP Tiff
Phil Kendig Service Willow.

App. 0488

Embassy of the United States of America

Seoul, Korea

June 26, 1992

Senator Terry Sanford,
Chairman
Subcommittee on Near Eastern and South
Asian Affairs

Senator James M. Jeffords
Ranking Minority Member

Dear Senators Sanford and Jeffords:

I very much appreciate the opportunity you have given me to respond in writing to your concerns regarding the so-called "October Surprise." The plain fact is that I had no involvement in or knowledge of any effort to delay or manipulate the release of the American hostages held in Iran with relation to the 1980 presidential election. All my knowledge of the alleged affair has come from Gary Sick's book, press reports and my own preparation as a witness for the Office of the United States Attorney in the perjury trial of Richard Brenneke in 1990. I thus am delighted to have the opportunity to set the record straight. For your convenience I have repeated your nine questions below with my answers following in sequence.

1. QUESTION: During the period of November 4, 1979 to January 20, 1981 (inclusive) did you have any contact (including, but not limited to, written correspondence, personal conversations, and telephonic communications) with any individual(s), official or otherwise, associated with the Republican Party or the Reagan-Bush presidential campaign, relating to the holding of the American hostages in Iran? If yes, please describe such contacts and provide any documents in your possession referring or relating to such contacts or your knowledge of them.

ANSWER: During the period covered by this question, I had no contact, written correspondence, personal conversation or telephonic communication with any individual or individuals associated with the Reagan-Bush presidential campaign or the Republican Party relating to the holding of the hostages, or for that matter, relative to any other subject. My first contacts

App. 0489

with the Reagan-Bush staff members took place after the election of November 1980. These contacts were devoted entirely to whether or not I would be retained by the incoming Reagan-Bush administration as a member of the National Security Council staff. In this connection, I met Richard V. Allen for the first time during the month of December 1980. I might also add that I met William Casey for the first time after he became Director of the Central Intelligence Agency in 1981.

2. QUESTION: During the period of November 4, 1979 to January 20, 1981 (inclusive), did you have any contact (including, but not limited to, written correspondence, personal conversations, and telephonic communications) with any individual(s), official or otherwise, associated with the Republican Party or the Reagan-Bush presidential campaign, relating to the transfer or transshipment of American-made military equipment or spare parts to Iran directly from the United States or from Israel or any other third party countries or intermediaries? If yes, please describe such contacts and provide any documents in your possession referring or relating to such contacts or your knowledge of them.

ANSWER: During the period covered by this question, I had no contact, written correspondence, personal conversation or telephonic communication with any individual or individuals associated with the Reagan-Bush presidential campaign or the Republican Party relating to the transfer or transshipment of American-made military equipment to Iran directly or via third countries, including Israel, or for the matter relating to any other subject. My duties on President Carter's National Security Council staff were focused on intelligence matters and East Asian affairs so that these alleged activities would not, in any case, have fallen into my normal areas of responsibility.

3. QUESTION: Do you have any knowledge of any transmission of classified and/or secret information relating to the Iran hostage crisis by any member of the Carter Administration to any individual(s), official or otherwise, associated with the Republican Party or the Reagan-Bush presidential campaign, during the period November 4, 1979 to January 20, 1981 (inclusive)? If yes, please describe such transmissions and provide any documents in your possession referring or relating to such transmissions or your knowledge of them.

ANSWER: I know of no transmission of documents and/or secret information regarding the Iran hostage crisis by any member of the Carter Administration to any member of the Reagan-Bush

campaign or the Republican Party. Gary Sick was the National Security Council staff member responsible for Iranian Affairs. I had infrequent contact with Mr. Sick and had no indication whatsoever of any such contact or activity on his part.

4. QUESTION: Have you ever met or spoken to Jamshid Hashemi? If yes, please describe the nature of your contact with Jamshid Hashemi and provide any documents in your possession referring or relating to such contacts with him.

ANSWER: I know of no person called Jamshid Hashemi. I have seen his name in contemporary newspaper articles connected with the "October Surprise" but unless he was introduced to me under an alias, I can say that I have never met with him or spoken to him.

5. QUESTION: Have you ever met or spoken to Cyrus Hasnemi? If yes, please describe the nature of your contact with Cyrus Hashemi and provide any documents in your possession referring or relating to such contacts with him.

ANSWER: I know of no person called Cyrus Hashemi and to my knowledge I have had no contact with him of any sort. I am aware from Mr. Sick's book called October Surprise that the Hashemis allege that I met with them in New York in the spring of 1980. To the best of my knowledge, I have never met the Hashemis. This allegation is not true. I have made no trips to New York or any other place to discuss arms shipments to the Middle East with anyone at any time.

6. QUESTION: Have you ever met or spoken to Reinar Jacobi? If yes, please describe the nature of your contact with Reinar Jacobi and provide any documents in your possession referring or relating to such contacts with him.

ANSWER: I know of no person called Reinar Jacobi, and unless he was introduced to me under an alias, I can say I have never met with him or spoken to him.

7. QUESTION: Did you travel outside the United States during the period March 1, 1980 to January 21, 1981 (inclusive)? If yes, please identify the countries and cities visited, the duration and purpose of each trip, and provide any documents in your possession referring or relating to such travel.

ANSWER: I took four trips outside the United States during the period covered by this question. These trips are noted in personal calendar diaries kept by me and my wife. These are the

only documentary sources currently available to me regarding such travel. My foreign trips were as follows:

-- From 8-11 July 1980, I flew with President Carter to Tokyo to attend the state funeral of Prime Minister Ohira of Japan.

-- From 26-30 August 1980, I was travelling by private car with my wife in Nova Scotia, Canada visiting the towns of Yarmouth, Halifax, Baddeck and Louisburg.

-- From 20-24 November 1980, I was involved in travel to and from a conference on East Asian developments held at Ditchley, a small town near Oxford, in southern England. At the end of the conference, I also visited friends in London.

-- From 9-15 December 1980, I flew with Secretary of Defense Harold Brown on a trip to Tokyo and Seoul. The trip was entirely focused on bilateral relations between the U.S. and Japan and the U.S. and Korea.

-- No other foreign travel was undertaken during the period covered by this question. Specifically, I did not travel to Spain in July of 1980 or to Paris in October of 1980 as some of Mr. Sick's sources allege. Copies of my pocket diary for July and October 1980 are attached, as are copies for the same months in my wife's calendar diary. As can be seen from the diaries, I was in the United States during the July and October periods. If you need further substantiation of any travel during the period in question, please advise me and I will supply this information.

8. QUESTION: Do you have any knowledge of any effort by private United States citizens or government officials to delay or manipulate the release of the United States hostages held in Iran in relation to the United States presidential election of 1980? If yes, please describe such knowledge and provide any documents in your possession referring or relating to such knowledge.

ANSWER: Apart from allegations contained in Mr. Sick's book, which I consider to be completely spurious, I have no knowledge of any alleged effort by private United States citizens or U.S. Government officials to delay or manipulate the release of the American hostages held in Iran in 1980. I have no documents related to such alleged activities in my possession. I might add in this context that I was a close personal friend of one of the hostages, Mr. Thomas Ahern, and allegations that I might have been involved in delaying the release of the hostages, including Mr. Ahern, are particularly repugnant to me personally.

9. QUESTION: Do you have any knowledge of any sales (both official and unofficial), transshipments, or other transfers of any American-made military equipment or spare parts to Iran directly from the United States or from Israel or any other third party countries or intermediaries during the period September 1, 1980 to December 21, 1981 (inclusive)? If yes, please describe such knowledge and provide any documents in your possession referring or relating to such knowledge.

ANSWER: I have no knowledge whatsoever of any sales, transshipments or transfers of any American-made military equipment to Iran directly or via Israel or any other third party countries during the period covered by this question.

* * *

This concludes my formal answers. In conclusion, may I reiterate my pleasure at being able to set the record straight and to state my hope that your investigation can come to a quick and definitive conclusion. It is my belief that the entire "October Surprise" story is false and based on testimony of witnesses of highly dubious credibility.

Yours very truly,

Donald P. Gregg

Donald P. Gregg
Ambassador

REPUBLIC OF KOREA)
SPECIAL CITY OF SEOUL)
EMBASSY OF THE) S.S.
UNITED STATES OF AMERICA)

Subscribed and sworn to before me,
Consul of the United States of America at
Seoul, Korea, duly commissioned and qualified
this day of JUN 26 1992

Helen M. Collings
American Consul

App. 0493

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

BEST AVAILABLE COPY

A.A.E.HASHEMI

London, 24th July 1982

Arnold Rachel,ESQ

Senior Deputy Assistant Secretary of State

Middle East dept and Near East,

Dear Mr Rapheal,

Although I do not know you,but I know of you, I am the eldest Hashemi brother,before the revolution a succesfull director of a construction Company,after revolution,head of Radio during Bazargan and later co worker with Admiral Madani,as of one month before the election,special envoy of the Admiral Madani to the state dept,during the hostage situation I caused the presence of Eng Reza Bassandideh in Madrid,and his meeting with state dept rep,etc etc.
It has been always my point of view that a change in Iran has to come from within with the innitial help from outside, unfortunately with those people I was in contact in Washington they did not take the matter seriously,or they did not take the Admiral Madanis point of view seriously, Iwas succesfull to bring Ayatollah Haj Mehdi Karoobi Member of parliament,head of Martyrs foundation,Later his Brother Hojateslam Haj Hassan Karoobi to Europe to meet with the Admiral,Later a deligation of 3 persons of moderates.
While not only I am acting as coordinator but financier,I feel that you are missing the boat,not only that but when Admiral Ardeshir was sent to you and asked you to intercept the case at Newyork you did nothing.
I have a wife and 5 children in States,they own a seven bedroom house,two appartments and industrial land,I thought United States was a second home but we seem to be only good when we are needed.!?
The Admiral is with me in London and we are waiting the arrivale of Mr Bakhtiar -in Parsi member of parliament and the true controller of the revolutionary

guards,he is going to be accompanied by sevral other refugrates.

Mr raphel it is very painfull to see that while at my part to you ,you could have taken the fullinnitiative , no action has been take on your side, I am sending you acopy of Observer,please read page 15, also you will find a photograph showing Karooby and myself and his aide crossing the border to Germany to meet the Admiral.

Should you be interested to meet with the Admiral in London till 4th of August call me at 011418347715.

Sincerely

M.A.B.HASHEMI

soryy for the bad typing

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

REF.	NAME OR PROJECT	DETAILS OF MEETINGS - AGREEMENTS - DECISIONS
1	Pooh	5:30 just leaving
2	GARY	Cannot find any info on Bob Beckett in
3		Houston. Said no one looking for him.
4		Wants to talk further next week. Will call back
5	BILL DUNCAN	Called to say Al Martin wants to talk.
6		(305) 923-7845
7	MARTIN	Oswald interested in back venture. Will call me
8		in AM Saturday.
9	GARY - game OSP	Type off a former student. Can Will show him around Dayton
10	STATIONERS	4409 SE 24 IN W/C UNDER PACIFIC NOT Jones/Judy
11		STEVE SAYLOR 255-8909
12		
13	RICO	Jerry lost motion and I am back on
14		witness list. Kopp now trying same motion
15		
16	RICK WESTOVER for POOH	@ 7.0 please CB 294-2250
17		
18	BILL HAMILTON	Please CB over the weekend.
19		
20	MARTIN	Bob Parry has been talking to Mike
21		Rconnaissuto, see 11/1 note. Martin expects to
22		today or this weekend.
23		Wants me to follow up Moskunas.
24		M. related to Lithuanian archbishop,
25		Reconnaissuto -
26		
27	~~Peggy~~ MARTIN	(Ltr soon coming to me by Peggy Rabkin)
28		Ari has been released. Hired Brandon Sullivan
29		and is seeing Walsh today to negotiate for
30		immunity. To exchange for this says he will
31		return 70% of Iran-Contra funds in South
32		American banks. Some allegedly came from
33		Reagan Hand.
34		Ari speaks well of me. Says he was in Paris
35		Oct 1980 and I probably was too. Says I was
36		a lower level functionary. Says he was w/
37		Israeli official gov't delegation. Have Parry
38		on interview.
39		Says never met me. Says call from
40		Santiago only a friendly chat.
		Married to Am lady. Wants US asylum
		and nationality. Recommending Israeli citizenship
		Says will not go back. Says Israel has contempt
		out on him.

App. 0564

PRINTED IN USA

CONFIDENTIAL

MEMORANDUM

To: Elliot Richardson

From: Stan Pottinger

The attached draft memorandum has been prepared as a resource for your upcoming meetings with attorneys and State Department officials.

This memorandum has been drafted from contemporaneous notes, recollections, and interviews with Cyrus Hashemi. It needs editing, but I have run out of time. I thought that you should have it before tomorrow's meeting.)

This draft really is for your eyes only. Should circumstances later require others to see a chronology of this kind, I would want Hal Saunders to have a chance to review and edit.

There is only one other copy of this memoradum, which is locked up subject to my custody and control. Confidentiality is obviously critical; do you have any special ideas on how we can keep the memo and its contents secret?

Attachment

App. 0565

This document is submitted as CONFIDENTIAL. Exemption from disclosure to non-governmental parties of this document and any copies of it is claimed under the Freedom of Information Act. It is requested that before any disclosure is permitted of this document, or any part or copies of it, timely notice be given to the person whose name appears on the stamp affixed to the first page of this document.

Elliot L. Richardson, Esq.
Milbank, Tweed, Hadley and McCloy
1747 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
Telephone: 202/466-4700

CONFIDENTIAL

—PRIVILEGE—

This document is subject to the Attorney Client Privilege and may not be disclosed without The Express Authorization of the Client.

DRAFT

INTRODUCTION

The following chronology sets forth the actions of Dr. Cyrus Hashemi and others secretly to assist the United States in the return of the American hostages from Iran; to join with the United States government in a covert attempt to influence the outcome of the election for the presidency of Iran in January, 1980; and currently to advise Iranian government officials on national security matters.

SUMMARY (To Be Provided)

NARRATIVE CHRONOLOGY

Personal Background

Dr. Hashemi is an Iranian citizen born in Iran on December 27, 1938. He speaks fluent Farsi, French, and English. After obtaining a degree in economics at Oxford, he returned to Iran in 1960 to join a group known as the Oil Consortium. After approximately one year, he joined the Ministry of Water Power (later the Ministry of Energy) and remained with the government until 1964, where his last position was Director

Through the spring and early summer of 1980, Dr. Hashemi continued to work on the first agenda and to provide the State Department with information and analysis on events in Tehran.

Passindideh Meeting

After several months of failed effort, Dr. Moini and Dr. Hashemi were able to persuade Reza Passindideh to leave Tehran for a meeting in Madrid. On Wednesday, July 2, 1980, the parties met at the Plaza Hotel in Madrid. Dr. Moini and Dr. Hashemi met with Passindideh for approximately a half hour, after which Mr. Pottinger joined the meeting.

Passindideh was nervous to the point of fright. He spoke no English, so Dr. Moini interpreted for Mr. Pottinger. Pottinger inquired whether Bani-Sadr knew of and had authorized the present meeting in Madrid. Passindideh said that this was so, and that Passindideh was supposed to telephone Bani-Sadr later to advise him of the results of the meeting.

Pottinger inquired whether Passindideh was prepared to assist in setting up an authorized confidential meeting between a representative of Bani-Sadr and a representative of the State Department. Passindideh said that he would, but requested a confidential letter from Secretary Muskie or another high government official confirming a request for such a meeting and setting forth, even in euphemistic fashion, points to be discussed.

Pottinger drafted a letter from Secretary Muskie to President Bani-Sadr which he and his Iranian colleagues believed

would meet the Passindideh request and test both his credibility and Bani-Sadr's willingness to meet. Pottinger suggested that if the letter were agreeable to the Secretary of State, it could be shown to Passindideh. He could authenticate the letter and take notes on its content for reporting to Bani-Sadr, but the letter itself would be "escrowed" pending a similar response from Bani-Sadr.

Pottinger also asked Passindideh to answer a limited number of questions as a sign of his knowledge and authority. These involved such matters as the condition of the hostages, whether there was anyone with authority to round up and deliver the hostages if the proper order were given, who would likely be Bani-Sadr's representative in the event of a private meeting, and the like.

On Saturday, July 5, 1980, Saunders said that the Department had reviewed Pottinger's draft letter and proposed approach to Passindideh. He said that a fulsome letter of invitation from the Secretary was inappropriate at that point. The Department was led to believe that Bani-Sadr wished to have such a meeting; in such a case a letter attempting to persuade him of such a meeting was neither necessary nor appropriate. They wished to pursue the Passindideh connection nevertheless, and proposed that Pottinger convey to him in Madrid the contents of a note from the State Department confirming their desire to meet. (See Exhibit 6.) This was then done through

Dr. Hashemi and Dr. Moini.

At the same time, Dr. Hashemi advised Pottinger that Passindideh had become too nervous to remain in Madrid and was leaving at once to return to Tehran. Passindideh believed that he would be in grave jeopardy if anyone in Tehran discovered that he had met secretly with a private American citizen to discuss the opening of an official line of communication between Bani-Sadr and the State Department. The day before, President Carter had traveled to California to make a speech. Sources close to the President commented during the trip that the government was hopeful of establishing communication with Tehran through a dissident ayatollah. This was part of the lead story in the New York Times on Saturday, July fifth, and was reported on the wires and in London. Passindideh took these reports as a reference to his efforts and the views of his father. He believed it was necessary to return to Tehran at once. He told Dr. Moini that after a few days, if there was more to discuss, they could pursue the matter by telephone.

On July 9, 1980, Dr. Hashemi reported to Mr. Pottinger that Dr. Moini had received a telephone call from Passindideh. Passindideh claimed that he had met with Bani-Sadr, who approved the meeting in principle. He said that Bani-Sadr proposed to form a delegation or "commission" of Sanjabi, Salamatien, and Passindideh, or some combination thereof. Passindideh said that the Iranians wished ten to fourteen days to prepare for such a meeting, and that it could not go forward unless Ayatollah Khomeini approved it and there

appeared to be some level of support from key members of the Majlis. Dr. Hashemi did not know whether Sanjabi or Salamatien were aware of the Madrid meeting or the proposed commission, but said that Passindideh's meeting with Bani-Sadr had been "minuted," which indicated to Hashemi that the proposal was taken seriously in Tehran.

Mr. Pottinger relayed the foregoing to Mr. Saunders, who responded with a request for a meeting in Germany in mid-July. This was conveyed to Passindideh through Pottinger and Hashemi. Passindideh relayed a message back that the matter was under review, but there was no further word on the proposal, and no meeting occurred.

During the next ninety days Dr. Hashemi continued to provide information and analysis on a number of issues. He discussed the upcoming choices for a new Prime Minister; provided helpful information on the new Speaker of the Majlis, Hashemi Rafsanjani (Dr. Hashemi's cousin); discussed ways for attempting to open a channel of communication to Ayatollah Beheshti; and incorporated into a financial report to Tehran information provided by the State Department on frozen assets, deposits, medical and grain shipments, the amount of claims received by the Treasury Department against Iran, and the like.

On September 1, 1980, Mr. Saunders told Mr. Pottinger that a letter signed by a Congressional Delegation had been delivered to the Iranians through the the Swiss Chargé. Saunders said that he understood that a debate about the

hostages was occurring in the Majlis and requested Hashemi to explore in Tehran whether the Congressional letter was well received, whether a different document from the United States would be better, whether other communications were needed at that juncture, whether the agenda set forth in the Congressional letter was realistic, and the like. In due course Hashemi provided his views on these questions.

In September, Dr. Hashemi was also requested to provide a financial report on oil pricing and exchange rates. He provided a copy of his report to the State Department on September 17, 1980. (See Exhibit 7.)

Asset Recovery Project

On September 22, 1980, Pottinger met in the State Department with Mr. Saunders and Roberts Owen, Legal Adviser, concerning a plan for identifying and attempting to recover certain assets which the Iranian government believed had been unlawfully expropriated by the Shah. Saunders and Owen advised Pottinger that a four-point plan for the hostage release was shaping up and that one item on the agenda was the request for the United States to take some form of action on the Shah's assets. Saunders and Owen said that the State Department and Treasury Department would attempt to collect information through the Bank Secrecy Act or whatever other sources of information they might have. They were skeptical that the Shah would have left any significant assets in the United States after his departure for Egypt, and they were skeptical

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

December 19, 1992

MEMO FOR MR. BARCELLA AND MEMBERS OF THE TASK FORCE

FROM GARY SICK

In response to the specific questions raised during the course of my appearance yesterday, I have consulted my notes. The following points provide the most complete responses to each of the relevant questions that I have been able to produce.

1. Re Harold Saunder's note of May 8, 1980, describing a telephone conversation in which Stanley Pottinger relayed a message from Cyrus Hashemi that various individuals might be able to come out of Iran for discussions. I discovered that I do not have the original document. I contacted Harold Saunders who agreed to copy the relevant pages and fax them to the Task Force on Monday, December 21.

According to my notes, the text of the entry is as follows: "Pottinger: Madani met w/BS, Kho, Behesti. They asked him to take PM. He declined. Met again yesterday alone w/Kho. Impression that Madani is cooking up s.t. (Saudi money perhaps) -M is rabidly anti-clerical, afraid of Saudis. -CH distressed about Jamshid knowing of mtg w/Behesti. CH talked to B's representative in Switzerland. Son of Montezari old come out. Ayatollah Karrubi old come out (mbr of parl, close to Ahmed, 15 yrs student of Kho. .. Kuwait, Sharja, Abu Dhabi, Bahrain) Would come and meet." [underlined in original]

Based on my review of the notes, I now realize that I was in error when I said that the message referred to Reza Pasandideh and Mehdi Karrubi. Pasandideh is not mentioned. Instead, the note appears to indicate that Behesti's representative in Switzerland proposed to Cyrus Hashemi two possible intermediaries: (1) the son of Ayatollah Montazeri [not the son of Ayatollah Pasandideh]; and (2) Ayatollah [Mehdi] Karrubi. Reza Pasandideh had been mentioned by Cyrus Hashemi as a possible channel from the earliest contacts between Cyrus and U.S. government representatives in December 1979, but not in this exchange.

2. Re my contemporaneous note reporting a meeting on July 14, 1980, with a "Mr. Hashemi." I have attempted to contact David Laylin [or Leylin], who apparently set up that meeting. I had not talked to him for many years, and the old telephone number I had is no longer in operation. I will attempt to locate him, but I am uncertain if I will be successful. In the meantime, I spoke to Jamshid Hashemi, who recalled that his meeting with me in 1980 was in fact arranged by David Laylin. Consequently, I now believe that the July 14, 1980 meeting probably involved Jamshid, not Cyrus, Hashemi.

3. Re the Mayflower meeting. According to my notes, Jamshid first raised the subject of the Mayflower Hotel meeting when I

interviewed him in London in October 1990. I went over the details of the story with him on at least two other occasions in 1991.

Based on my re-reading of these notes, I now realize that I erred when I told the committee yesterday that it was my belief that Jamshid had known Roy Furmark prior to the Mayflower hotel meeting. My notes reveal that Jamshid told me on several occasions that he had not met Roy Furmark prior to that meeting. I also received information from other investigators that Furmark denied ever meeting Jamshid until many years after 1980.

I also found several entries in my notes expressing some doubt in my own mind that Jamshid was being entirely candid about Furmark's presence. Jamshid had indicated a reluctance to reveal the full relationship between John Shaheen, Cyrus and Casey, and I speculated at the time that the real emissary was Shaheen, not Furmark. There is bad blood between Jamshid and Furmark. I have no hard evidence, however, beyond my own contemporaneous suspicions, to clarify or contradict Jamshid's statements that Furmark was the man who appeared at the Mayflower Hotel.

4. Did Jamshid specifically mention Charles Cogan in relation to the Mayflower Hotel meeting? Yes. Jamshid told me that he reported the contact with Casey to Cogan, who reportedly told him to disregard the meeting and not to do it again. [It is possible that he said "Chuck" instead of Cogan and that I simply understood him to mean Cogan since we had discussed his relationship with Cogan on several occasions.] I later raised this allegation with Cogan, but he declined to discuss it with me.

5. According to my notes, Jamshid first mentioned "Gregg" to me during our talk in London in October 1990. That was the first time that I heard his account of his meeting with "Gregg" in his brother's office and at the Shazan Restaurant in New York as well as his allegations of "Gregg's" presence in Madrid.

6. With regard to the comments by the Customs officer reported on p. 189 of *October Surprise*, my notes reveal almost nothing beyond what was published. The source volunteered his belief that a message was probably delivered directly from the Republicans to the Iranians warning that if the hostages were not released, the Iranians would suffer severe retribution. He offered no specific evidence to support his understanding of what happened.

7. At the request of the Task Force, I have conducted a review of my notes to determine what I learned from Jamshid Hashemi about allegations of meetings in Paris. The following chronological summary expands considerably what I told the Task Force on this subject yesterday:

5-31-89: Martin Kilian told me about his recent [5-25] meeting with Jamshid in London, where Jamshid for the first time

stated that he and his brother had been working for both Casey and the Carter administration. He mentioned that meetings had been held in Madrid "in June or July" 1980 in which Cyrus had been "bought off" by the Reagan side through the intervention of John Shaheen. He said Henry Kissinger met with Cyrus in London at the end of August 1980. Thereafter, there were a series of meetings in Europe: one in Zurich and two in Paris. He said Casey was present at all meetings, and he placed Sadeq Ghotbzadeh at an unspecified Paris meeting. No dates and no details were provided for any of the meetings. [In a recent conversation, Jamshid told me he had absolutely no recollection of meeting Martin Kilian.]

In the first half of 1990, I had my first meetings with Jamshid. They were largely introductory and social. Jamshid also met with other journalists during this period, and I received reports, which I regard as proprietary.

10-13-90: When I met Jamshid in London, he referred to unspecified meetings in Paris. He said he had not been present but had heard something about them from Cyrus, who had participated. He said these were follow-up meetings after Madrid. He again identified Casey and Ghotbzadeh as participants.

10-15-90: Continuing our conversations in London, I pressed him harder about possible Paris meetings. He said he was confused about exactly what happened. He was not there. He heard some of it from his brother, Cyrus, who arranged the whole thing. He did not believe George Bush was there.

5-4-91: I met Jamshid in Washington. There was almost no discussion of Paris. He told me that he was confident (apparently on the basis of his personal relations with the Karrubis) that Mehdi Karrubi did not attend any Paris meetings.

6-7-91: I met Jamshid in Washington. Most of the discussion was about Madrid. However, in the course of the meeting he warned me to "be very careful about what you say about Paris, especially about George Bush being there. It was not what people say." I asked him if he meant that the Paris meetings did not happen. He evaded, but several times repeated the warning to be very careful. He said he knew about some meetings of Ghotbzadeh in Paris [I later speculated to myself that this might a reference to Ghotbzadeh's meeting with Hamilton Jordan]. He peated that he was not personally present so he could not say exactly what happened. When reminded that he had indicated several times that there were Paris meetings, he said "yes, there were meetings but since I was not there I cannot say what the contents of the meetings were."

8-29-91: In another meeting he warned me that "Paris didn't happen the way it has been reported," and told me to be careful about those reports.

1-10-92: He again repeated the same warning, saying that he was not there and that his brother often did not confide in him. He was close to the Karrubis and thought that if they had been involved he would have known. There possibly could have been other Iranians who came to such meetings.

In more recent conversations, Jamshid has indicated his continuing belief that there were some meetings in Paris, that he has no direct knowledge of exactly what happened or who participated, and that he was confident from his personal relations with the Karrubis that they were not participants.

8. With regard to my questioning of Jacques Montanes, according to my notes the first question I asked him was whether he had any knowledge of a secret deal between the Republicans and the Iranians, in which arms deliveries were used as a payoff. He replied that while he was being held under house arrest [mostly at a series of Tehran hotels] in Iran he heard the story of a deal with the Republicans, but he had no hard facts. Montanes told me that the Iranians, in his experience, are accustomed to working with multiple contacts and simultaneous negotiations, and that the connections between these different approaches are "always deniable." They always have a hostage of some kind for leverage to get what they want, he said.

With respect to my interview with Ahmed Heidari, he was given a list of written questions. The first questions were about details of arms deals in which he was involved, then about his knowledge of possible meetings between Republicans and Iranians during the period of the hostage crisis. Question 16 was worded as follows: "Were these meetings related to the arms shipment of October 24? (IRANAIR flt # 999. This acft carried the 250 F-4 tires, M-60 tank spares fm Italy, 1000 PRC 77 batteries fm TUDOR in Spain, & a J60 motor for SCORPIO armored car.)" Heidari did not answer the question; instead he launched into a long discussion of the technical aspects of the delivery, stressing that this was his deal and his alone. I asked again. He gave me a long disquisition that convinced me that he had no direct knowledge of how a hostage deal might have been arranged or what it entailed. He then stated: "I know that Iran, and especially Behesti, and later Rafsanjani, they were trying to make a deal with Reagan: to push the election, to deliver the hostages. But they wanted the money back. They needed the money to fight the war. That was the deal. It was not a minor level. It was a very, very high level. Between Americans, maybe George Bush..." I regarded this as merely his opinion and chose not to mention it in *October Surprise*.

Monday May 26

Bank Holiday (UK)

Lunch

Evening

Tuesday May 27

Wednesday May

Thursday May 29

Friday May 30

Memorial Day

Saturday May 31

Sunday June 1

DOUGLAS L. WILLIAMS
ATTORNEY AT LAW
A PROFESSIONAL ASSOCIATION
ONE N.E. 2ND AVENUE, SUITE 204
MIAMI, FLORIDA 33132

TELEPHONE (305) 530-8282
TELECOPIER (305) 539-8724

December 4, 1992

Hon. E. Lawrence Barcella, Jr., Esq.
Chief Counsel
Congress of the United States
"October Surprise Task Force"
House of Representatives
Washington, D.C. 20515

Re: Reiner Jacobi

Dear Larry:

I have your letter of November 30 which came into my office on December 3 while I was out of the city.

It is *essentially* accurate, but needs just a little bit of modification: I told you that I had conveyed your desires, through an intermediary, to Mr. Jacobi, and that the response to your request for an "interview" was indeed negative.

We did not, however, explore extensively any concept of "cooperation" with "the United States." Rather, you told me on a couple of occasions that if it were the case that Mr. Jacobi voluntarily submitted to a debriefing, and if thereafter he found himself in a position where he was exposed to the imposition of a sentence, you (or others working with you on "the October Surprise Task Force") would make the extent of his discussions or conversations, or any benefits to the Congress which might have flowed therefrom, known to any such sentencing judge.

I'm not sure that I ever characterized his feelings or attitudes as susceptible of description as "anger." Surely, I told you that after everything he had experienced, he was less than enchanted with "the Government of the United States." Rather, I simply told you that it had been conveyed to me that he simply wished nothing further to do with any branch of the Government and, as you correctly stated, internal or political distinctions between the Executive and Legislative Branches weren't too terribly significant to him.

I will once again relay your current expressions to him (again, through an intermediary), simply because I think it to be my obligation to do so as his attorney--or one of them.

App. 0586

With best personal regards, and wishes for a pleasant holiday season, I remain

Very truly yours,

DOUGLAS L. WILLIAMS

DLW:jf

cc: Stafford, Frey, Cooper & Stewart

DOUGLAS L. WILLIAMS
ATTORNEY AT LAW
A PROFESSIONAL ASSOCIATION

One Hundred Second Congress

Congress of the United States

Committee on Foreign Affairs

House of Representatives

Washington, DC 20515

January 10, 1992

The Honorable Jack B. Weinstein
U.S. District Court Judge
U.S. District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Dear Judge Weinstein:

Mr. Dirk Francois Stoffberg has to date provided the House of Representatives Committee on Foreign Affairs with substantial assistance in an on-going investigation. It is expected that this substantial assistance will continue into the future.

In addition, Mr. Stoffberg has offered to have his testimony preserved by deposition. He has also agreed to testify at any open or closed Congressional hearing if and when requested to do so. Our investigation pertains to the question whether the 52 Americans taken captive in Iran were held past the election of 1980 in violation of any U.S. laws. This issue is commonly referred to as the "October Surprise."

Although Mr. Stoffberg's cooperation may not lead to any criminal action, the information which he has voluntarily provided to us has already been helpful and, to some extent, has been corroborated by other evidence. I would, therefore, request that Mr. Stoffberg's cooperation be taken into consideration by you in the determination of his sentence.

I would be pleased to discuss the matter of Mr. Stoffberg's cooperation with you or your law clerk at any time before Mr. Stoffberg's sentencing.

Sincerely yours,

R. SPENCER OLIVER
Chief Counsel

App. 0588

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - - - - - - - - - - - - - x
UNITED STATES OF AMERICA, :
: DOCKET NO.: CR-91-524
-vs- : Brooklyn, New York
: January 14, 1992
DIRK STOFFBERG, :
Defendant. :
- - - - - - - - - - - - - - - - x

TRANSCRIPT OF CRIMINAL CAUSE FOR SENTENCING

BEFORE THE HONORABLE JACK B. WEINSTEIN
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

For the Government: SETH MARVIN, ESQ.
U. S. Attorney's Office
225 Cadman Plaza East
Brooklyn, New York 11201

For the Defendant: THOMAS DUNN, ESQ.
EDWARD KRATT, ESQ.

Audio Operator: Marc V. Brown

PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING;
TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE

- -

EMPIRE TRANSCRIPTION AND RECORDING SERVICE
225 Cadman Plaza East Room 487
Brooklyn, New York 11201

THE CLERK: Criminal cause for sentencing, USA versus Dirk Stoffberg.

(Pause in proceeding)

THE CLERK: Counsel, please note your appearances.

MR. MARVIN: Seth Marvin for the Government.

THE COURT: Good morning, everyone.

MR. MARVIN: Good morning, Your Honor.

MR. DUNN: Good morning, Your Honor. Thomas Dunn for Mr. Stoffberg.

MR. KRATT: Edward Kratt, K-R-A-T-T, of counsel. Good morning, Your Honor.

THE COURT: Has the defendant read the presentence report?

MR. DUNN: Yes, he has, Your Honor.

THE COURT: Do you understand it, too?

MR. DUNN: Yes, Your Honor.

THE COURT: Is he prepared for sentence?

MR. DUNN: Yes, Your Honor.

THE COURT: All right, I'll hear you.

MR. DUNN: Your Honor, as you know, I had served an objection, I believe, back on January 3rd, to the presentence report pertaining to the leadership issue. Basically, there's three issues I'd like to address today. One is the leadership issue. One is the German jail time

issue. And the third issue is this letter that Mr. Spencer Oliver has sent to both the Court and Mr. Marvin concerning cooperation my client has given.

The presentence report sets forth that the guidelines that they find is eight to 14 months. The plea agreement has set the scope of anywhere from four to 14 months. It's my position, and I'd ask the Court to adopt, is that the sentencing guidelines should be four to ten months pertaining to my client because there should not be an increase of two points on the role of offense level.

As set forth in my papers, it's my position that my client was not the leader of this conspiracy. Admittedly, he was involved in this conspiracy. Based on information, it would seem to me that, as I said in --

THE COURT: Do you want to listen to this?

UNIDENTIFIED SPEAKER: Yes.

THE COURT: Come over here and listen.

MR. DUNN: Based on the information that I obtained in investigation and just from reading various papers on the case, it would seem, if anyone was a leader in this case, it was Mr. Walker. It seems that Mr. Brokow and Mr. Toper, Val Toper and Mr. Walker were involved in this conspiracy for quite some time and that, at some point when they were discussing --

They were having difficulty getting a hold of

these particular guns that the undercover wanted. After months, Mr. Walker reached out for my client who was in Europe. And then my client agreed to provide the guns and, apparently the paperwork which would set forth that the guns would be going to Ecuador as opposed to Chile.

Based on that position, I believe that my client should not be held to be the leader of this group. I also think that the section pertaining to this issue is somewhat innocuous when it refers to really what a leader is. And based on those arguments as set forth in my papers, I'd ask that you'd not find my client to be leader and that the guidelines that should apply, instead of eight to 14 months, be four to 10 months. I know the argument may be academic because my client served almost nine months, but that's my argument.

THE COURT: Do you want a hearing on this, an evidentiary hearing?

MR. DUNN: No, Your Honor. I'll just rely on my papers.

THE COURT: Based on the papers and the information before me, I find that your client was a leader in this operation. And, therefore, the guideline computation was correct.

MR. DUNN: All right. The next issue I'd like to address, Your Honor, is the jail time issue. I know that

Mr. Marvin and the Bureau of Prisons -- The Bureau of Prisons has given Mr. Marvin permission to enter into a stipulation, which he submitted to the Court, that my client should be credited with the jail time.

And Mr. Marvin, in his papers, has said really that the issue is moot. I don't believe it is moot for the following reasons. Mr. Stoffberg, if you sentence him to eight or nine months as you could within the guidelines, there still has to be a judgment and commitment order.

There still has to be bureaucratic processing. Mr. Essig, the regional counsel for the Bureau of Prisons down in Philadelphia, told me yesterday that, even if it was expedited still could take seven to 10 days for the order to get from here to MCC.

Mr. Kratt, who has had experience in this area with clients that have done incarceration in foreign jurisdictions, has informed me that sometimes it may take as much as two to three weeks and even more, so it's quite possible that my client could get sentenced to more time than he would be under whatever you sentence him to.

I would submit, as I have set forth in my papers, that, under 5(K)(2.0) of the sentencing guidelines and also under 18 USC 3553, Subsection B, that you could step outside of the guidelines and sentence him to time served in US custody.

We all know that it would be the same. He still would do almost the equivalent of nine months. It still would be within the eight to 14 guideline sentencing range, but it would make sure that he would not be incarcerated for a longer period than he should be.

And my main concern is that Mr. Stoffberg be released today. He spent almost six months in a German prison. He spent some time in Passaic County in a jail which wasn't, you know, the greatest in the world. And as a result of some of those conditions, you ordered that he be moved out of there early on. And, of course, he's spent some time now in federal prisons, in MCC and in Otisville.

I believe, based on all those circumstances, that this is not a moot issue, that you would have the discretion, under the case law and under the guidelines and under 3553, to move outside and sentence him to time served in US custody. I think the interests of justice would be served. I think it would void any possibility of prejudice or injustice to Mr. Stoffberg, staying in jail beyond the sentenced period. Thirdly, I'd like to address --

THE COURT: Well, let's address that. What's the Government's position?

MR. MARVIN: In terms of the sentencing issue, the credit issue?

THE COURT: Yes. Your letter indicates that you

are willing to see him given credit for the time he served in Germany.

MR. MARVIN: That's correct. We have authorization. As the Court suggested on our last Court appearance last week, we are prepared to stipulate. David Essig, E-S-S-I-G, who is the regional counsel for the Bureau of Prisons, has informed me quite differently than counsel just stated.

If Ms. Lowe prepares the judgment and commitment, we can arrange for a certified copy to be sent to the Metropolitan Correctional Center tomorrow morning. We've been in contact with the person there who will compute jail credit.

We can arrange for whatever sentence the Court deems appropriate, whether it's time served or whether it's a sentence within the guideline range, to be implemented as soon as possible. We've cut through every single layer in the bureaucracy, so we are prepared to stipulate.

We think all the issues are relatively moot that counsel has raised because the guideline range here, as the Court has found, is eight to 14 months. He served somewhere in excess of eight months, somewhere less than nine months. So, regardless of what term the Court sentences Mr. Stoffberg to, he's going to get credit as of tomorrow for the time that he served in Germany because he

was arrested in Germany solely pursuant to the arrest warrant issued by Magistrate Ross.

MR. DUNN: Your Honor, I appreciate Mr. Marvin's intervention in discussions with Mr. Essig which commenced, I believe, last week. But although that may be what Mr. Essig said, Mr. Essig told me yesterday, about three, three thirty in the afternoon, that that it could conceivably take as long as seven to ten days unless expedited and pushed.

Now, hopefully, that's what will happen, what Mr. Marvin says. But, again, I think, since everyone knows he's done this jail time, I think it would be fair to sentence him to time served in US custody, namely from October 18th to today. And the bottom line is that he would have served close to the nine months.

MR. KRATT: Your Honor, may I just speak to the issue of the procedure? It's my understanding, from my experience --

THE COURT: You are who?

MR. KRATT: Edward Kratt, Your Honor. I'm of counsel to Mr. Dunn in this matter. It's my understanding, Your Honor, that the central administrative system has to be notified and that the judgment and commitment order have to be sent to them first and then, subsequently, that order can be sent to the regional or the institutional

administrative system.

If that bureaucracy can be cut through, then I think that it would not be a problem, but in my experience often these layers of bureaucracy are not able to be cut through. They have to follow their normal course. And that's why I believe it's important for Your Honor to consider a time served sentence so that Mr. Stoffberg doesn't spend an additional two to three weeks that it often takes for these orders and commitments to find their way to the proper institution.

THE COURT: Pursuant to the stipulation, the sentence of prison will be measured from the date he was apprehended and placed in a German prison since that was pursuant to a United States warrant.

MR. MARVIN: That's April 28th of 1991.

MR. DUNN: I think it's the 24th, Judge.

MR. MARVIN: Pardon me, April 24, 1991.

THE COURT: All right, next.

MR. DUNN: The final issue, Your Honor, is this letter that Mr. Oliver has submitted to -- a separate letter to Mr. Marvin, which I presented a copy to you with my January 13th. papers, and also a letter addressed to you, pertaining to this issue.

THE COURT: By Mr. Oliver, Chief Counsel?

MR. DUNN: Right, Chief Counsel to the Foreign

Affairs Committee for the House of Representatives. I'm not requesting that you divert or move from the guidelines pursuant to Section 5(K)(1.1). There has been no cooperation agreement with the US Attorney's Office for the Eastern District of New York. And even in Mr. Marvin's response to my initial letter of, I believe, January 3rd, he acknowledges that.

However, I submit that you could go out of the guidelines, pursuant to 5(K)(2.0) and pursuant to several cases which I have set forth in my January 13th letter. And the cases are US versus Khan, US versus Agu, which was a recent decision in November of '91, written by the Honorable John O. Newman, and also US versus Garcia.

THE COURT: I haven't received those cases. You made the citations?

MR. DUNN: I gave a copy to Your Honor of US versus Agu and I do have copies of the other cases. They may have been marked up a little bit. Your Honor, this is US versus Garcia.

(Off the record discussion between the Clerk and the Court)

(Pause in proceeding)

THE COURT: You're relying, are you, on United States v. Agu, A-G-U, --

MR. DUNN: Yes, Your Honor.

THE COURT: -- from Judge Newman?

MR. DUNN: Yes, Your Honor.

THE COURT: It says, because the requirement of a Government motion was settled in this Circuit, the case is --

MR. DUNN: Well, that's true, Judge, but he makes a qualification.

THE COURT: Where is the dictum you've --

MR. DUNN: I'll look for it in a moment, Your Honor.

(Pause in proceeding)

MR. DUNN: At Page 6 of my letter and also at Page --

THE COURT: He says, were the issue offered to this circuit, --

MR. DUNN: No, well, Judge --

THE COURT: -- there would be several lines of argument.

MR. DUNN: On Page 5 of that decision, down towards the bottom, about five lines about that number 5, it says:

"In Khan, we added an important qualification that a Government motion was not required for a Section 5(K)(2.0) departure based on assistance of the prosecution, but significantly limited

this exception to assistance to the Government, other than supplying of information relevant to the prosecution of other individuals, namely assistance by the defendant that allegedly saved the life of a Government agent."

Finally, in US versus Garcia, we --

THE COURT: I know, but it still requires a Government motion.

MR. DUNN: I don't think so, Judge, because --

THE COURT: Get me Khan, K-H-A-N.

MR. MARVIN: I have the case.

MR. DUNN: I have a copy.

THE COURT: Let me see Khan, K-H-A-N.

MR. DUNN: I think what these cases are saying is that, if it's going to result in an indictment, if it's resulting in a prosecution, if it's resulting in a criminal matter -- At Khan at 1106 under Section 2, where it says, departure under 5(K)(2)(0), it says, "We agree it would have been theoretically possible for the District Court to make a downward departure under 5(K)(2.0), notwithstanding the Government's decision to move for a downward departure under Section 5(K)(1.1), but the District -- "

THE COURT: What are you reading from?

MR. DUNN: I'm reading under section --

THE COURT: From what opinion?

MR. DUNN: Khan, US versus Khan.

THE COURT: Where?

MR. DUNN: On Page 1106, under the Section 2, in the second column, first paragraph.

THE COURT: Khan also asserted?

MR. DUNN: Excuse me, Your Honor?

THE COURT: Where it says, Khan also asserted --

MR. DUNN: Right.

(Pause in proceeding)

THE COURT: But he's saying they have no authority to take --

MR. DUNN: In that particular case, Judge, because of the facts, but they say you could do it, depending on the facts.

THE COURT: Yes, but you have another decision from Judge Newman who says you can't do it.

MR. DUNN: Well, I think Judge Newman, in this opinion, says you can, Your Honor, because he's saying that, in this section, "In Khan, we added the important qualification that a Government motion was not required for a Section 5(K)(2.0) departure."

And it also addresses,

"Finally, in US versus Garcia, we ruled that cooperation covered by Section 5(K)(1.1) is cooperation with the prosecution, leaving

cooperation with the Courts available as a ground for departure in the absence of a Government motion, presumably under Section 5(K)(2.0)."

And in that particular case, in US versus Garcia, which I have here, an individual cooperated with the Government. They didn't give a 5(K)(1) letter, but the Judge felt that this was an early plea. There were a lot of other defendants, where it was like a house of cards, they collapsed, saved the Government a lot of time and the District Court a lot of time. And, therefore, the Judge departed under 5(K)(2.0).

I submit that Garcia and this qualification in Khan permit you, under 5(K)(2.0), to also depart because my client has cooperated with Congress. And if you read the letter of Mr. Oliver, he's setting forth that this may not result in a criminal action.

If it was a prosecution, then it's something that deals with the US Attorney's Office, but this is something that goes further. This goes to assisting Congress in an investigation, assisting, eventually, possibly, in the American public, finding out what happened with whatever these negotiations were with the US hostages back in '79 and '80 in Iran.

And my client has voluntary given that cooperation. Mr. Marvin, in his response to this, sets

forth that the letter really is academic anyway, the cooperation is academic anyway, because my client has done more than the minimum of the guidelines, so he seems to be saying --

THE COURT: It's not moot. I'm considering the 14 month sentence or I can consider a sentence at the bottom.

MR. DUNN: Then, Your Honor, I would think, number one, if -- I believe it's not moot. I believe that you can go outside of the guidelines. But, at the same time, Mr. Marvin says that, in his letter that you can take it into consideration in sentencing Mr. Stoffberg.

If you're not going to find that you have the discretion under 5(K)(2.0) to view this as a cooperation with a section of the Government and move downward, I would at least ask you that you take it into account and sentence Mr. Stoffberg to the period of time he has been in jail, from April 24th to today.

THE COURT: What's the Government's view?

MR. MARVIN: First, just so the record is clear on the first issue, which the Court has already ruled on, I'd just like to mark, as three exhibits, transcripts during which Mr. Stoffberg discussed his role in this.

In Government Exhibit 1, on November 30th of 1989, at 2:10 p.m., during a call to an undercover customs

cent, the defendant said, quote, he was the man who was tting the strings together in the deal. So we'd ask that his be marked as Government Exhibit 1 for purposes of the earing.

THE COURT: Mark it.

(Government Exhibit, 1, transcript, marked)

MR. MARVIN: Second, Government Exhibit 2 is a pe recorded call from November 29, 1989 in which the fendant, again is speaking to an undercover secret ervice agent in which he says, "I will take control of the tuation with you."

THE COURT: Mark it.

(Government Exhibit 2, transcript, marked)

MR. MARVIN: Third, Government Exhibit 3 is other recorded call in which the defendant says, "I'm the pplier." He also discusses, "I've arranged documentation r you to pick it up in Madrid. I've arranged for freight rwarders."

And then he discusses, later on in the call, the tails of the transaction, so we think that the Court was re than justified in finding that the guideline range of ght to 14 months was correct. Congress, like any other rty or private citizen, has a right to send a letter to e Court, much like a family member would, a physician, a ber of the clergy, explaining --

THE COURT: You're not putting Congress in the me position as a family member in terms of its influence?

MR. MARVIN: No, what we're saying is any third rty has the right to send a letter to the Court setting rth what they think of a defendant setting forth facts d circumstances relevant to sentencing issues. Here, the ideline range, as the Court has found, is eight to 14 nths. We think the Court should impose a sentence within ht to 14 months. We have briefed, extensively, the ue of whether the letter which was submitted could serve a --

THE COURT: Did you get all of these. This, too?

MR. DUNN: Uh hum.

THE COURT: Will you mark this one?

THE CLERK: Uh hum.

(Government Exhibit, 3, transcript, marked)

MR. MARVIN: We briefed, extensively, whether the tter from Mr. Oliver, which we have included in our Court ers, can serve as the basis for a motion, a veiled tion under 5(K)(1.1), which is essentially what it is. think the Second Circuit has spoken clearly.

We don't know the nature and extent of whatever sistance Mr. Stoffberg has provided. He's refused to us, as is his right. Mr. Oliver has informed us that one occasion, December 26th of 1991, there was a taped

interview with Mr. Stoffberg at the Metropolitan Correctional Center.

Subsequently, Mr. Stoffberg has submitted a number of affidavits to the Congressional Committee and some documents. Some of the information which Mr. Stoffberg has provided, as set forth in Mr. Oliver's letter, has been corroborated. Others have not.

We think the Court can take the letter into consideration in imposing a sentence within eight to 14 months. Certainly, under Section 5(K)(2.0) and all the authorities cited therein, that letter would not qualify the defendant as a matter of law to the extraordinary remedy of a downward departure, which, in any event, is moot. So, in summary, we think that the Court can take the letter for whatever it deems it worth and impose a sentence that it thinks is appropriate.

MR. DUNN: Your Honor, if I might just give you a little history of this attempted cooperation with Congress. I had written a letter in mid-November to Mr. Spencer Oliver pertaining to my client's willingness to cooperate.

I had learned that there may be investigation into what was was known as the October surprise. I wrote to Mr. Oliver in, I believe it was the second week in December, around December 9th. I was informed that Mr.

Oliver and an individual named Mr. Reed Weingarten, a former US Attorney down in DC who is now in private practice, who has been appointed to head the Senate side of this investigation as independent counsel, was going to come up.

I wrote a letter -- Mr. Oliver insisted that he would prefer if the meeting take place in the Eastern District of New York's offices because it would be more comfortable for all parties. I suggested that this could be easily done at MCC. And he said, no, we can do it at the Eastern District.

I wrote a letter, then, to Mr. Belkin, setting forth that this meeting was going to take place and apparently Mr. Oliver had conversations. And it was my understanding that this meeting would take place on December 17, 1991 in the Eastern District of New York.

I learned on the day of Sunday, December 15th that it was Mr. Belkin's intention to first debrief Mr. Stoffberg on this issue and other issues and that Congress would have to wait a couple of days until Thursday. That was a bad day for Mr. Weingarten since he was going to be up on a separate issue in the Southern District of New York, so I contacted, by letter, Mr. Belkin, stating that I insisted that if there was going to be any cooperation, first, Congress would have to be allowed to meet with my

client.

For whatever reason, and I don't know if it was a Congressional bureaucratic mix up or whatever, that meeting did not take place on December 17th. I was about to go on vacation and I asked Mr. Kratt to come into the case and he met with my client and Mr. Spencer Oliver on December 26th at MCC.

They had a long conversation. My client subsequently has provided quite a bit of information. When Mr. Marvin says that it's been corroborated to an extent and other things haven't been corroborrated, he almost leaves the impression that that part has been checked out and it's not necessarily true. I don't know exactly what he means, but I think that can be interpreted that way.

The fact is that there has been corroborration, separate corroborration, -- my understanding, of at least one witness pertaining to what my client has given. My client has given numerous documents, names and addresses and phone numbers of people that can be contacted.

It's my understanding that this will be all checked out. My client is willing to give a deposition at any time. He's going to testify at any hearings pertaining to this October suprise issue. He's willing, if necessary, to go in your chambers in camera in a sealed proceeding and let you know what he's told Mr. Oliver.

But the reason, one of the main reasons why he has not given this information to the Eastern District of New York is because the Congressional investigators don't want the information out. It's their investigation. And that's it.

He has cooperated. I think this is a real, real significant issue, this whole investigation. It's been in the press quite a bit and it goes to the reason that 5(K)(2.0) is significant and the reason depart downward, at least give him a minimum sentence under guidelines, is because this is an issue that is important to not only Congress, but to eventually, possibly, the American public.

In that situation where this individual who had cooperated with the US Attorney but didn't get the letter gave information that an agent of the Government might be threatened, the Court stated it could have departed on that issue.

The reason that it didn't is because the attorney for the defendant didn't being that issue up at sentencing and it wasn't preserved on appeal. It's first brought up on appeal and, therefore, it wasn't applicable, but the Court in I think it was the US versus Khan issue, stated that the Court would have had the power to depart under 5(K)(2) based on that bit of cooperation.

I think, based on these cases, that not only can

a defendant cooperate with the US Attorney's Office and get a 5(K)(1.1) letter, but he can cooperate with the judicial system as set forth in Garcia. And there's no reason why he can't cooperate with the third branch of Government that makes the laws.

And based on the significance of this investigation, whether it goes anywhere or not, my client has presented information voluntarily. And I'm asking that the Court please consider it in its sentence.

THE COURT: My ruling on the issue of law made informally now, but subject to a possible brief memorandum of law is as follows. A Section 5(K)(1.1) departure does require a motion by the Government. It is usually made based on the cooperation of the witness or the defendant.

There may be instances where, in bad faith or through misconduct of an Assistant United States prosecutor, that recommendation is denied. The cases, I think, indicate that in such a situation, the Court may depart without an explicit recommendation.

In this case, there isn't the slightest instance of bad faith or misconduct. It's clear that the Assistant United States Attorney, possibly and probably acting pursuant to the directions of his superiors, since this is an important problem involving the relationship with the three branches of Government, namely, the Courts, Congress

and the Executive, has made an explicit decision internally not to request the departure.

The reason, generally, that the United States prosecutor does not wish departures made except on its own recommendation, among others, is that, by controlling strictly the departures, the Government prosecutor has an enormous leverage over defendants.

Not only can the Government decide the charge and, thus, in effect, decide the sentence, but, by holding within its own hands the ability to permit the Court to go below the guidelines, in effect, it can compel in many instances a defendant to cooperate and to do what the Government requests.

Not only can a recommendation refer to a departure below the guidelines, but it also can refer to a departure below minimum sentences. The power of the prosecutor, under the guideline sentencing, is enormous. Fortunately, in this district, we have an excellent United States Attorney and Assistants, so there has been no overreaching and abuse of that enormous power that's been placed in the hands of the prosecutor and taken from the judges by recent so called reforms.

Now this leads to the question of whether there remains any other power to depart for cooperation. The holdings of the Second Circuit indicate that a Government

request is required. However, there are some dicta from some of the judges in the Court of Appeals suggesting that there are reasons why this general rule should not apply when there's cooperation with other branches of the Government. As far as I know, the Second Circuit has not considered cooperation with Congress. Is that right?

MR. DUNN: I couldn't find anything on it, Your Honor.

THE COURT: That's right, isn't it?

MR. MARVIN: We haven't found anything found any cases on that issue, Judge.

THE COURT: But it has suggested that a cooperation with the Court, as an independent branch, that might suffice. We can hypothesize a number of examples. One, it may be that the Government is denying a recommendation of a downward departure because the defendant does not wish to cooperate, but at the trial the Court may call the defendant and give him an opportunity or her an opportunity to testify and cooperate with the Court.

And that cooperation may be extremely helpful in the administration of justice, although distasteful to the Government. That, I think, is one of the factors that the Court of Appeals had in mind in its dicta. Under such circumstances, it seems to me that cooperation, as the Court of Appeals suggests, should be taken into account.

Now we come to the problem of Congress. It is true that Congress is primarily a law making, and not an investigatory body. However, we all know that its investigations are critical in law making, as well as in informing the public with respect to what is happening in our society and Government.

Not only that, but many of its investigations result ultimately not only in legislation, but in prosecutions of one kind or another. Therefore, cooperation with Congress should be treated as on an equal level with cooperation with Courts. They're both independent bodies under our Constitution.

I, therefore, hold that, as a matter of law, that the Court may depart when a defendant cooperates with the Government and that is brought to the attention of the Court and, in effect, Congress has requested a departure. All right?

MR. MARVIN: Judge, just to clear two things up, we can't request a departure here for two reasons. One, as counsel has noted in his responding papers, there was no cooperation agreement in this case. In fact, the defendant explicitly and continually refused to enter into a cooperation agreement with our office. Second, we don't know what information was provided to Congress.

THE COURT: I'm not faulting you in any way.

MR. MARVIN: I understand that.

THE COURT: I believe that your position is procedurally correct.

MR. MARVIN: The other point I wanted to make was that the letter from Mr. Oliver doesn't mention either 5(K)(1.1), 3553(E) of Title 18 or Section 5(K)(2.0). The letter does not request a downward departure nor could it. It simply requests that the Court take whatever "cooperation" the defendant has provided in pronouncing sentence.

THE COURT: I treat it as the equivalent of a request for a downward departure. The guidelines do not provide for requests by Congress or by the Court.

MR. MARVIN: The Court could treat it as a matter of law. And Mr. Oliver has informed me and I'll inform the Court, as an officer of the Court, that that is not a downward departure motion because he knows that's something that Congress doesn't have the ability to make.

THE COURT: I understand that.

MR. MARVIN: The Court can treat it any way that it believes is appropriate.

THE COURT: I understand that. You're correct.

MR. DUNN: Your Honor --

THE COURT: Under the guidelines, neither Congress nor the Court has the power.

MR. MARVIN: We would also, I guess, like to stress, the Court indicated at the beginning that this was an informal opinion or dicta, however the Court wishes to paraphrase it or characterize it, we would just like to say that, since the guideline range here is eight to 14 months and since the defendant has served nine months, we don't think this is an issue the Court needs to address in this particular case.

THE COURT: I believe you're wrong about that, but I have great respect for your knowledge of the law. My understanding of what the Second Circuit wishes us to do is to first fix the guidelines and fix the guideline sentence and then decide whether there should be a departure downward from what the guideline would require.

I would, first, have to fix the guideline sentence. And I would fix it somewhere between eight and 14 months and, without this information from Congress, probably at the high end, the 14 months because this defendant, I believe, is dangerous and has been a leader in a massive attempt to violate our laws on munitions.

MR. DUNN: Your Honor, if I may, even though there was no cooperation agreement with the US Attorney's Office, oftentimes when there is a cooperation agreement with the US Attorney's Office what they do is they give a letter to the Court. My client has given information. And

Congress, through Mr. Spencer Oliver, has given a letter to you and I submit that that can be viewed as a cooperation agreement.

THE COURT: All right, that's the way I'm going to view it.

MR. DUNN: And I also would submit, Judge, that it says, substantial assistance that he gave. That's what they say.

THE COURT: Yes. All right. I'll hear you on the sentence.

MR. DUNN: Judge, just one moment, Your Honor.

(Pause in proceeding)

MR. DUNN: Your Honor, since you set forth that you do have the power, based on this letter to depart, I would ask that you do depart, and sentence my client to something lower than the eight to 14.

I know that that still means that my client would do more than eight months in jail. And, therefore, I would urge that you sentence him and release him today based on the power to depart.

Number two, if you're not going to depart, then I would ask that the fact that this letter is viewed as -- the fact that my client has cooperated substantially, given substantial assistance to the Committee on Foreign Affairs for the House of Representatives and the fact that Mr.

Marvin seems to view this as academic in reference to the fact that he's done more than the minimum of eight months, I would ask that you sentence him to from April 24th to today and that he be released today.

But, again, I would ask that you depart down and I'd be asking that that departure be actually a sentence of US custody from October 18th to today, so that he could be released today and avoid any possible bureaucratic mix up that would result.

THE COURT: Do you wish anything to what your attorney has said, sir?

THE DEFENDANT: Your Honor, I plead guilty. I accept the circumstances of being incarcerated in Germany and in America. And I beg Your Honor to release me today.

MR. MARVIN: Judge, the only thing that we would add, just so the record is clear, we think that in the letter from Mr. Oliver when he refers to substantial assistance, he's talking about that not in the terms envisioned by the guidelines.

We think we could establish that at a FATICO hearing. Because of the guideline range here, we view that as academic, but we don't think that whatever assistance Mr. Stoffberg has provided would be substantial assistance within the contemplation of the sentencing guidelines.

Otherwise, we'd ask the Court to sentence this

fendant to within the guideline range of eight to 14
ths. And we'd respectfully ask the Court not to
dress, in this case, an issue which we don't believe
eds to be addressed in the context of this case.

THE COURT: With this guideline sentence, the
rt would sentence the defendant to one year and one day
rison. He's a dangerous man, as revealed by the Court,
was a leader of this massive attempt to circumvent our
itions regulations.

It would take into account the Government
gressional information and reduce the sentence from 14
12 months, which is within the guidelines. His
deline sentence -- to twelve months and one day. His
deline sentence, therefore, would have been 12 months
d one day.

However, as already indicated, I treat the letter
Congress as, in effect, an application for departure.
therefore, depart downward to time served and stay that
tence for one week to permit the Government appeal to
e Court of Appeals on this issue.

In addition, he is sentenced to three years
ervised release, a fine of $20,000. He is to pay the
rt for his imprisonment from this day forward. He will
a $50 assessment.

I note that the reason the Court would go to the

top e guidelines, were it not for Congress'
inter , is that there was a threat of physical
violer ' this defendant. He's to be kept under very
clos l under the three year supervised release term.
If h: into any trouble during that year, he will go
into for three full years. Is that clear?
. DUNN: Yes, Your Honor. I would just ask one
thin Honor. Since we don't know if Mr. Marvin --
unle nows now if he's going to appeal this issue,
mayb ld tell the Court if he knows, number one.
But, two, if they do intend to appeal and you've
stay a week, if Mr. Stoffberg could be released
pend decision. He could report every day to --
COURT: I'm not going to release him for the
same he wasn't released up to this moment. I
beli ll abscond.
DUNN: Could I ask Mr. Marvin if at least he
kno ould expect to appeal this?
MARVIN: I'm not prepared to discuss that at
this
. DUNN: Judge, if there's a decision before
the s s --
COURT: Whatever you stipulate to with the
Gover fine. Is my decision clear now?
. DUNN: It's my understanding, Judge, that

yc enced Mr. Stoffberg to time served, but you've
st e week to them an opportunity to appeal, so,
th hey have --
E COURT: Plus additional terms.
. KRATT: Your Honor, if the Government decides
t- tend to appeal, would Your Honor consider, at
t application for his release pending appeal?
E COURT: I'm not going to give you any
h answers. You can come to me at any time on
a I'm available all the time. Does probation
u hat? Is that a satisfactory sentence under
p iew?
E PROBATION OFFICER: Yes, sir.
E COURT: Anything further?
. MARVIN: No, the --
T COURT: Anything further?
MARVIN: No.

* *

Maureen Horowitz-Coffin, do certify that the
fo s a true and accurate transcript of the
pr in the matter of United States versus
St

/ Maureen Horowitz-Coffin

Oct 2, 20

FRIEND SMITTLE

D. C.

E. Outer Hotel

Flug Trubcon with J. Bak

To Meet Silberman, Allen

Bob McPhd,

40 Phaz Document Fig

Phs already Paid Fun

in Rtun of Hospitals

Funds in Kansas Offices

Jud,

Sept 29

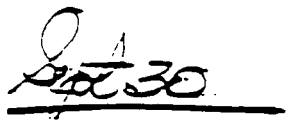
692-8388

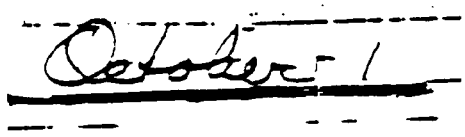
Hawkins Lewis: called (516) 364-3099
re hostages. We can get Pat Et wife
if we give them your parts said Pat
came to MOSTAFAH NORBAKSH
Quai Conti, out for week. Tried
John Mathews Esq
Spoke w/ Alton to see if this was
appropriate way
Mr Hudson called back Ed about
name

351-6737

* Earl Franklin, Manhattan's own
(arranged Shives at 10 a.m.)
Larry Silberman - still very nervous / will
recommend to Wilcox against us Fla P.
I said $20,000 he said why am I to

23 00




October 1

- Told Dave Barlow of o/c meeting with Ravi & what it could mean

Oct 2

Flew back w/ Allen - We drove to airport with Clarion -

- Hour long E-I met for 45 min. w/ CIA afsr. Interview not well focused. Entered w/ Carter's manifesto statement Max Karl - no good - try Astra

Oct 3

"Ray Franklin" CIA furnished meeting concluded insufficient evidence to indict Hawkins has ties w/ anyone to allow for further contacts with him.

Spoke with David Aaron at around 6 PM and found the CIA's position strong — after a 45 minute telephone discussion with Bob Gates Tom Troy left my office and I returned to his office and gave him a letter to the above plans. On to the office, I read it over — told me former the CIA knew Larry Aaron then suggested we don't want something — mentioning Iran/Contra. I said would not — two things attached deal.

When I told Larry he wanted my permission to go public told him I'd be having dinner on Sunday

Oct 5

Pat Turner & John came for lunch-We discussed the Law Institute & then went to Langley for a 2 hrs. deposition by Stanton Turner, Bryce Clark (Clark's son) & Pat Turner. The deposition was mostly but not over Karen Thau (Time & Newsweek woman) of what @ said a Iraq & Iran

I told Turner Dixon they refused with their declaration of the Court of for the said Iraq to be Back in Kuwait

October 6

Told Hawkins of meeting w/ Turner & agreed to call back

App. 0627

Hamburg wants to know if for ZOT from Cairo / Israeli / Eaten-side of Iran to Kuwait

Hamburg Kuwait - talked to:
- Diane Sawyer / CBS
- Robert Carter (Reagan Camp / not interested

App. 0628

October 2

9:30 Hearing Law to come to DC for meet with Hal Sanders followed by a NFC meeting with Jewett at Del Lee Metzgers

Pat Lucey to dinner

Mail O. Cross FCC re expedite of our FCC complaint

3rd After Hearing met briefly at my office & came to State where we met with Hal Sanders But Jr. Peer Est Bob Owens & Peter Cup

After a little jousting it was apparent Hal knew what Brad Turner & were on the matter. He sought to understand how the coup would be pulled off. I was sure knew would Barry Sadin & the hostages. The militant Hal said they had already indicated a willingness to give up their occupied Post office but he wanted to be given an assurance that the would follow thru & I would take it upon myself the County Post -

We met with Hal because Chris - was unwilling even to see us requested the Hal meet but it became helpful because Cajun & Turner had talked to / spoken to Chris.

Haeseleer was very pleased as Hal was much more responsive. We await a message from Hal & then Haeseleer will pass the message thru Spain.

We also talked about shipping the spare parts set on a 707 or CSA.

We travelled to NYC / Stacy Netherlands - had dinner & met Jud Jarrett campaign manager. He took us to Racquet Club where I told him how the whole story. I told him we wanted him as a witness to the events as we did not trust Carter. He said he'd be willing to be, so he put it on a subpoena witness. Further he will call Ed Muskie & let them know he knows of the deal.

Oct 9

Gen Mathias will speak to Eric & Todd
Lunn of Hot Saunders & Jolla Jouett.
I'll call them Friday. He will act,

October 10

Hal Saunders - more to chair & wants him a memo. Has had full briefing from Cyrus Vance. Still waiting to hear from Christopher / Muskie Expects it to take place next week - Want to know if Louis has any further comments on political views.

Louis - needs parts for F5's grounded for four months / one type in Swiss + Hawk F20 billion business

Being pressed by X to get answer

Saunders

Passed on the above Rad Thursday

Embassy Paris 986-1966

Gen Norstad spoke to Lodge "Don't believe Kosygin. It is all Gaullism plated alloy bonnet ring a bell — very sharp but called to be kept undated - Lodge likes it - Quiet discussion - Nac said he spoke to Johnson and he knows will talk to Muskie

App. 0632

October 11

Haas/Kauffmann is prepared to meet anytime with Iranian Team. We will check terms & Iran will release Langin as a show of goodwill.

U.S. Says Langin can be out there.

Oct 12 & Oct 13

T.V. comments / Lunch w/ JBA / IRAN /

3:00 RAFSANJANI invite To U.S.

Permanent Lawyer. Haas/Kauffmann will meet w/ Iranians in D.C. on Monday. Iran believes Waldheim would convince U.S.

Langin can be brought out as "sick" Oct. re E.S. & Cousins

App. 0633

Monday October 13

6161 Penn Ave
Officer
SCOHANI cell phone
660-710-6630

Spoke to Lou 2x /

Howland Lou – spoke to Don Sa
Cuba vote is elected / very uncertain / Sc
Will call Lou.
They will release:
Should clear go to State – No
X is flying to NYC – to Hilton tele

150-806-H
281-579-
residence

Hal Saunders
Still talking about backing up channels
How to make it work
His presentation did not inspire confidence
– what is plan

Lou called Sadri – told to call back
5 hrs. Asked whether he knew
what Russians planned / Said they heard
Russians moving toward Baluchistan
Howland:
Plan is acceptable / (Bruce L coming out)
Can we get term:
Soviet Supplies of Iraq – How are supplies moving
How is it ~~to~~ when can do this w/ Carter Assn
– Reagan is his contact.
Bruce / no problems ... Lou to DC Thursday
dinner w/ 2 former Ironman Generals. 23 will call

Oct 14

6 calls last night
Let us
Take counsel
① Pro Russian propaganda:
-- why U.S. neutral allowing Jordan to act
-- How come Soviets setting up govt in Baghdad
-- Leonard Freeman - K saw him a year ago.
-- SANDRI - 66-551 connection Trotskyite group
-- Some friction between parties
Call at noon

Met w/ Sen. McPhee - renewed care / told about Langin / assume NSA picked up calls & State knows
Should we go to Munich / Glassboro
Should we take it to League & make it be Tri Partisan
Mac called Bill Miller & asked him to check w/ Bobby Ingram on whether they would have picked up the calls & on the 6th. Agree him. Bill reassured 6th / Ingram off
Twas agreed that D should talk w/ Bill.
Leahy offered to talk with Kinney
Don't need JJ

App. 0635

Rami: Agreed in principal —
— U.N. Gulf Standard + NAVAOG will
— come to my office w/ Rami to
work out details.
Bruce will be flown to Karachi
—* Intelligence NIB

Meeting at 1130 with Bill Miller & Alto
Rammed everything. He agreed completely
with what we were doing.
— Dede & Mike Russow depart w/ MIGS &
delivered their goods. —————
— Dede & Mike Hagwood leaving Amman
Jordan
— Thought Ray (FBI etc.) were tapping
Rami's phone
— Suggested I tell Chris Sanders late
re Bruce L.
— I called at 12:10 for Hal & was told
he'd call back. He did & — Col
Chris 12:20 & Bob Owen called back
told him I wanted a mtg w/ him
He said he'd be free to get me in w/ Hal
but Chris was tied up.

App. 0636

Explained all to Owens = Hal called & made
conf call. When he was all over I told
Linda I needed Mat Tax deal id Volume Low
— No sense of urgency - Lawdeen was
he still wasn't comfortable (Over
conversation got a little stiff around
Hal) Hm I don't feel we were getting
anywhere

Hal called back to say they were
going to communicate w/ Bank
Board. He wants help. I said I was
coming.

Oct 15

Lee Hong came down at 1 w/the Flak. After lunch we went to Saunders (Bob Owens & Peter Constable) We gave him five tubes & went over the equipment for F4, F5 & F6. He grudgingly gave his satisfaction / but I doubt if it was accurate. He denied he knew anything about Russian ship w/ MiGs onboard. Said resupply only. Ships in pipeline before war. No Soviet ~~ships~~ Depot ships.

When Hal was told how U.N. Amb. would come down he backed off & said he would not negotiate until he heard from Sadri — Per our suggestion last week. She will take time — Israel can't give the same concessions Arabs do & still remain / — "Well — let's follow thru on the agreed upon plan." Lani suggested he call Bourguiba directly — Hal didn't think that a good idea. Then Lani suggested Lani go but Hal didn't think that was a good idea either. Hal — ~~Hal~~ in an effort to show they had other irons in the fire told ~~Hal~~ "did we know the Tunisian Minister was coming to the U.S." We didn't & Hal surprised, Hal slowly in turned out that he was coming to see us. Hal came to do so with

App. 0638

State people — Later, it's a visit to the UN in N.Y.C.

I left it with Levi — after we left that when Ivanov (UN Amb.) was prepared to meet w/ State - we, tell them at State, give them 24 hrs. to agree or we back out of further discussions -

Levi wants to keep the matter to Kenyon. I told him I would not be opposed to it if we felt it was going nowhere.

Levi's code name w/ Ivanov in UN!

Mathias says they (State) are scared. Should be talk to Mankie —.

Oct 16

Ben Lee called to say he would
we were troubled with the space
at which State seemed to be
operating — or lack thereof. He
wanted to assure us that they
were very serious. Gives comparison
abroad & that they had other irons in
the fire (called him to make sure we were on the same
page re the swap.)
I called Lou to ask him to:
1) See how long P.M. Raja was stay
in NY
2 whether Boni Sadr has talked
w/ Raja about swap
3) Should we meet w/ Raja

Lou called back — Navab left for Geneva.
The Prime Minister a hard liner, is not
going to deal w/ Carter —
Under no circumstances are "they" willing
to deal w/ present admin."

6PM
Lou heard all the rumors & thinks Carter will
fall on his face.
He will get a call Sat at 2pm.

App. 0640

266 1249

Cliff wants to do a release on end of effort to swap parts for Tapia Bulk

Got 1st Mate called — very distressed Reba wants to never communicate, but Dawn says he'll quit if she does I spoke to her & she says "no way they will be used if I don't think today you did good" I know what the people want / Dawn says he'll be Stymied. Told both to sit tight I'll come up at 5:30. After Run all was forgiven & Light

Reba was smiling with her day on the table. When I left Dawn & she said she plans to run for Gov of Ill. — She really means it

Flew to NJ w/ Bill Colby. The firm which transcended the thunder we caught to publish if they screw up.

Odom

Odom prepared a memo for DA to brief the story.

Tuesday I received call from Johnson w/ Jim Slader between us. Jim still want to go forward. Will set up a mtg w/ Houston Inc and either the P/A or someone from Johnson. They stressed to us that they don't want to deal w/ Carter Dunn. But do want to work

App. 0642

CCD

Mac Mathis said that the Trammell Crow Trust Heir U.N. Endowment no regard — re of like Rusty Young — Per a Texas Ag State

23 019

Hauhum got a call from Bani Sadr's Foreign Advisor! He wanted to meet Lavi at 12 on D.C. tomorrow. Is Rajai still in town? Call Lavi re that question.

Oct. 20

Housekeeping, in preparation for a meeting with NAVAB SAFAVI, BANI SADR'S FOREIGN ADVISOR, came to our office at 9:30 & met w/ Alton, George & me. It was agreed that he would offer that we would serve as the middle men & that they should meet with us/-

Safavi said

- Lavi recommends our firm

App. 0643

23 020

Oct 21

Houlihan knew

- Foreign agent in Paris told documents evidencing U.S. & Israeli involved in war re Iraq
- 48 hrs. Iranian agent coming
- No release of anybody before election
- Want to talk to Bush

Col Saunders called.
Report Nurse Evers that Bowe Bergdahl
says our guy (Lani) without authority
to Repeat to him Bowe has
authority to negotiate for them.
The Taliban for N.G.C. not
authorized

Oct 22

AS THE TWO ALTERNATIVE CANDIDATES WHO WILL BE ON THE BALLOT IN ALL 50 STATES, IT IS IMPORTANT THAT THE AMERICAN PEOPLE HAVE AN OPPORTUNITY TO COMPARE OUR PROGRAMS. I THEREFORE REQUEST THAT YOU AGREE TO DEBATE ME AT AN APPROPRIATE FORUM DURING THE WEEK OF OCTOBER 26. I HAVE NOTIFIED THE LEAGUE OF WOMEN VOTERS OF MY DESIRE TO HAVE THEM SPONSOR SUCH A DEBATE. PLEASE CONTACT ED CRANE (202-333-8263) AT MY CAMPAIGN HEADQUARTERS WITH YOUR RESPONSE.

SINCERELY,

ED CLARK

CC: DAVID GARTH

3687
03114 EST

Oct 23

- Oct 24 -

Jim Baker — re Cleveland

Poll Questions:

Podium: Standard Blue Home Television Podium w/ seal

Chair: Swivel Stool w/ back

Background: Medium Blue

Equivalents / same as Baltimore

Now

Will not happen before Nov 4 & we will be in out.

2:30

Hostages — what happens if Pres. comes & Cabinet Resignations. Iranian Gov. wants to know. Subject to a vote. But Rafsanjani will get vote right away.

DOD source says 3 of the hostages are dead

Discussion re JBA & RR should issue a joint press statement. Deaver against it.

Oct 26

John Chancellor came over during Bruce Lisman & Colson's briefing to delay us. It was what we had been hearing. (good news - they are coming BAD NEWS - what it will cost (after election)
Told him W.H. want to put it (LWV) Carter will call press conference to say:
- LWV obstructed U.S. Political process
- negative factor in politics
This was strategy used to get LWV to drop it

- Lloyd Cutler called to set up briefing on hostages 5pm. Hal Saunders gave briefing. Nothing - they are not in control. Will give $125 m in arms. Will hold back on "Phoenix type Ethiopians." 1 hour briefing, but nothing came.

Oct 27

NCS - spread - intro by Maria Shriver

Lavi:

Tehran will send team to U.S. to "wrap up negotiations" between Nov 5, 10 or 11

State sends cable to Lavi re their readiness

Lavi in Calif. 10/29 213/271-5310

told JBS & he'll call back tonight

Oct 28

Lewis – just checking in. Same news / keep until after election.

Saunders – State ~~has~~ says "balls in their court" they know State is ready to negotiate as / when ever /

Debate went as expected – John was great. CNN got screwed up by NBC. Started from Cleveland out of sync. CNN adjusted / Then NBC adjusted & then CNN had to readjust.

– 9 ~~05~~ PM phone company pulled phones / Dallas + got trunk line.

9:25 NBC failed to air our 5 min commercial. Targets me out of audience. Call Jim La Marca & tell of technical screw up. Tell him a lot from not to run per NBC. Re commercial if this is not fair. We want damages –

App. 0651

Oct 9

8:30 Breakfast w/ Henry. Phil NBC 5
remaining 5 days.

10:00 George Hermann et al "Capitol Clockroom"
radio Sundown 6:25 p.m.
10:30 Alan Gerson, NYC VP re lawyer
after limit deal / no mention of 10x30 sec. prime
commercials.
Always back pain + doit.
Call back Jerry -
2:00 Milt Gross - tell him NBC story
& he says try to work it out
Charlie Steele - re a settlement is
it a contribution
Alan Gerson - more re same
not sure of liability. Guest Schwann

Lou - what's happening. No swap before
election.
Gross - no announcement that $315 loan + has resigned
Podoroff - Make up policy

Irwin Engelstein - NBC

Oct 30

Oct 31

Lavi - Iderian says if State won't send Iranian to willingness to negotiate to Lavi, then send it to me. Then Iderian will tell me that they are prepared to meet —
Also rumors of hostage release unfounded.

Lavi - Ayatolla TAHERI, friends to us & viewed he part of negotiations team
Iranians: told aloso, he said they should consider it. Hal said he did not believe report that Carl Sadr was out of Iran

Nov 2

Saunders called at 6.15 pm to advise re decision of Premier Parliament.

Spoke c/ JB around 1.00 pm.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

LABORATORY

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: Inspector in Charge
FBI October Surprise Task Force

Date: July 31, 1992

FBI File No. 62A-HQ-1024847

Lab No. 20707003 D UD

Reference: Communication dated July 6, 1992

Your No. 62A-HQ-1024847

Re:

Specimens received: July 6, 1992

Specimens:

Q14 Typewritten page dated September 10, 1980 beginning CONFIDENTIAL MEMORANDUM FOR THE FILE..."

Result of examination:

Conclusions

A positive determination could not be made whether the Q14 document was prepared on "September 10, 1980" based on paper, typewriter, and ink analysis.

Enclosure

This Report Is Furnished For Official Use Only

Typewriting

The questioned typewriter impressions appearing on Q14 most closely correspond to Laboratory standards for an IBM Prestige Elite style of type. The typewriting was produced by a single element machine having a lift-off correction capability. The IBM typewriters capable of producing this document were commercially available prior to the date on the document.

The ribbon used to prepare the document is a carbon ribbon which would contain the text of the document in readable form.

Watermark

The watermark "Eagle-A Trojan Bond 25% cotton fiber" appears on the Q14 paper. Paper bearing this watermark was commercially available prior to the date on the Q14 document.

Staples

Staplers having a one half inch span and producing holes similar to those appearing in the upper left corner of Q14 predate the Q14 document.

Ink

It could not be determined through ink analysis when the Q14 document was prepared.

Disposition

Q14 has been photographed and is returned herewith.

9/1/92
RVA #5

September 10, 1980

CONFIDENTIAL MEMORANDUM FOR THE FILE

Today at 1142 Mike Butler, Senator Tower's office called me to ask me if I could meet with him to discuss a confidential matter. Subsequently, at about 12 o'clock he and Bud McFarlane came to the office and we drove back down to the Hill.

On the way, they told me about their meeting with a Mr. A. A. Mohammed, a Malaysian who operates from Singapore and who came to them via an old friend of Senator Tower's. Mr. Mohammed is apparently influential and/or active in the Islam religious movement.

This afternoon, by mutual agreement, I met with Messrs. Mohammed, Butler and McFarlane. I also took Larry Silberman along to the meeting.

As it turns out, Mr. Mohammed claims to have a scheme which has ostensibly received the approval of Ayatollah Khomeini to release the hostages once the son of the Shah's returned to Iran and installed as a figurehead monarch. Larry and I indicated our scepticism about the possibility of such an exercise, especially since it also involves the release of the hostages. We repeatedly stressed that we could nothing to interfere in this matter, and that we placed a high value on the national interest. We indicated that if he were to come to us after the election, and providing we were successful, we might be able to be of some assistance to him in this effort. However, for now, the question of the release of the hostages is wholly within the hands of President Carter and the Administration, as it properly should be.

Mr. Mohammed indicated that he and other Moslems are terribly disappointed by the Carter Administration, and claimed that Carter had "let us down time and time again." He was very vehement in his denunciation of the Carter Administration. However, we explained that while we share our distaste for the Carter Administration, the matter of the hostages is one affecting the national interest and therefore could not be made subject to partisan devices.

Both Larry and I indicated that we would be pleased to hear whatever additional news Mr. Mohammed might be able to turn up, and I suggested that that information be communicated via a secure channel. One of the questions that we had about the scheme was more or less resolved: we wanted to know why this information had not been taken to the Administration, and he indicated that he and his group have no faith in the Carter Administration's sincerety or integrity. We suggested this was a matter for their judgment, but that in the context of the hostage matter we could not become active in the slightest.

Photocopied at the Ronald Reagan Library

22 Dec (cont)

(22)

0815 Annalee Anderson - will be at the office all day - be meeting with Drew Lewis at 6:30.

1:00p Paul Dwyer called to say he'll be coming in to work tonight at 6:00p.
Also, Andy Brenner called to say he'll be coming in at 6:30p
G.A.M.

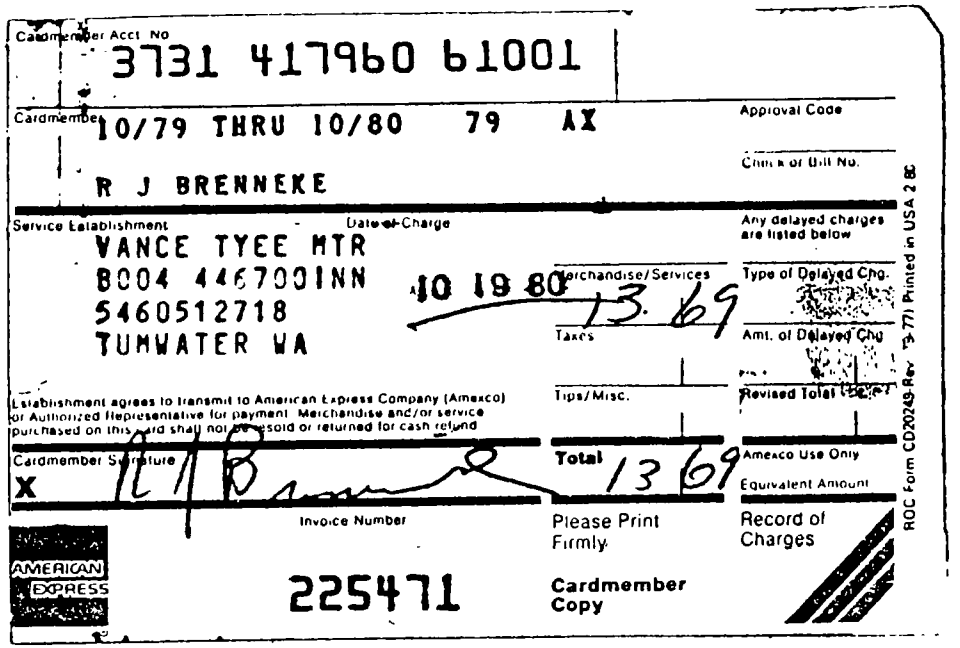
3:10 Paul Dwyer called to say that he has come down with the flu since he last called this afternoon. He will not be coming in today, but will try for tomorrow. 6:00p
G.A.M.

3:15p Called Jim Smith to reconfirm his working over the holidays.
G.A.M.

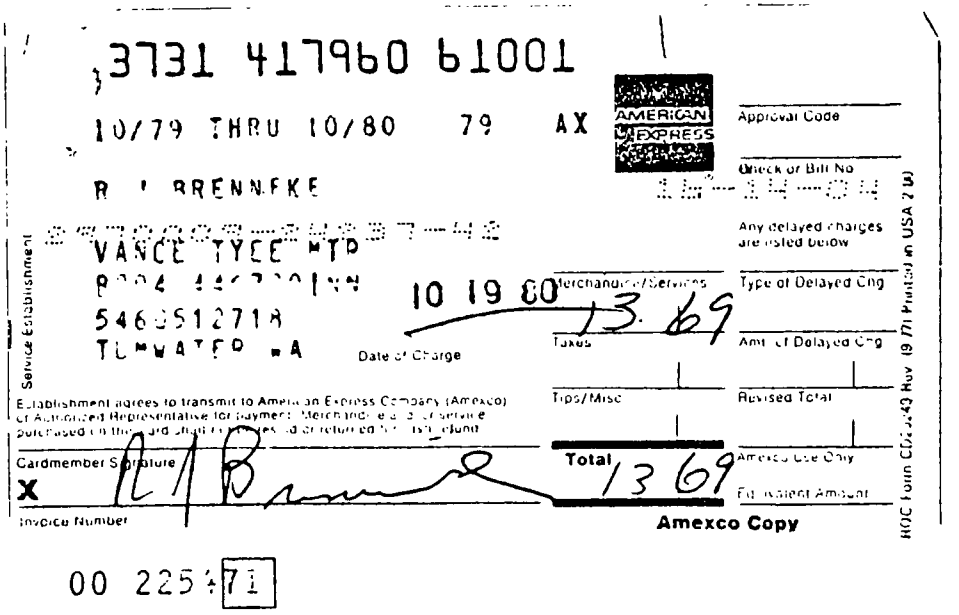
11:15 PM Dick Wirthlin called and wanted to reach Mr. Meese. It was ascertained that Mr. Meese was dining at an undisclosed location with Mr. Casey. Mr. Wirthlin was called back and he would meet with Mr. Meese in the morning.

App. 0662
000674

62 366 1270



Cardmember Acct. No
3731 417960 61001
Cardmember
10/79 THRU 10/80 79 AX
R J BRENNEKE
Approval Code
Check or Bill No.
Service Establishment
VANCE TYEE MTR
B004 446700INN
5460512718
TUMWATER WA
Date of Charge
10 19 80
Any delayed charges are listed below
Merchandise/Services 13.69
Type of Delayed Chg.
Taxes
Amt. of Delayed Chg
Tips/Misc.
Revised Total
Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund
Cardmember Signature
X
Total 13 69
Amexco Use Only
Equivalent Amount
Invoice Number
225471
Please Print Firmly
Cardmember Copy
Record of Charges
AMERICAN EXPRESS
ROC Form CD20249 Rev 9-77 Printed in USA 2 BC



3731 417960 61001
10/79 THRU 10/80 79 AX
R J BRENNEKE
AMERICAN EXPRESS
Approval Code
Check or Bill No.
Any delayed charges are listed below
VANCE TYEE MTR
B004 446700INN
5460512718
TUMWATER WA
Service Establishment
Date of Charge
10 19 80
Merchandise/Services 13.69
Type of Delayed Chg
Taxes
Amt. of Delayed Chg
Tips/Misc
Revised Total
Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund
Cardmember Signature
X
Total 13 69
Amexco Use Only
Equivalent Amount
Invoice Number
Amexco Copy
ROC Form CD2249 Rev 9-77 Printed in USA 2 BC

00 225471

3731 417960 61001

NS

10/79 THRU 10/80 79 AX

Approval Code 34093

Check or Bill No.

R J BRENNEKE

Service Establishment

CHINATOWN RSTR

U5B010799346

5361002785

0136000353

Date of Charge 10 21 80

Merchandise/Services 19 25

Taxes

Tips/Misc. 2

Total 21 25

Any delayed charges are listed below

Type of Delayed Chg.

Amt. of Delayed Chg.

Revised Total

Amexco Use Only

Equivalent Amount

Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

Cardmember Signature

X

Invoice Number

170853

Please Print Firmly

Cardmember Copy

Record of Charges

ROC Form 20249-SR-Rev. 4-76 Printed in USA 9-79

3731 417960 61001

NS

10/79 THRU 10/80 79 AX

Approval Code 34093

Check or Bill No.

Service Establishment

CHINATOWN RSTR

10 21 80

Date of Charge

Merchandise/Services 19 25

Taxes

Tips/Misc. 2

Total 21

Any delayed charges are listed below

Type of Delayed Chg.

Amt. of Delayed Chg

Revised Total

Amexco Use Only

Equivalent Amount

Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

Cardmember Signature

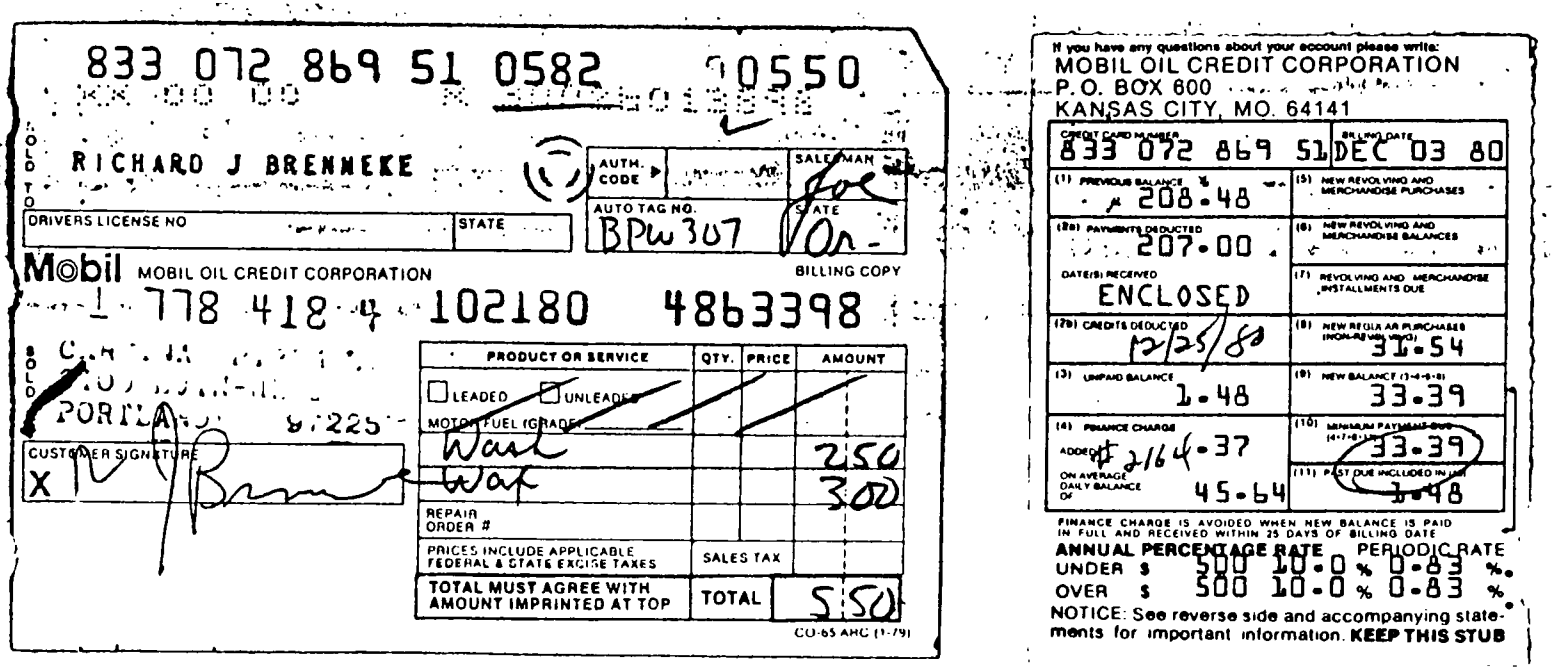
X

Invoice Number

Amexco Copy

ROC Form 20249 SR-Rev. 4-76 Printed in USA 9-79

00 170853



833 072 869 51 0582 00550

SOLD TO RICHARD J BRENNEKE

DRIVERS LICENSE NO | STATE

AUTH. CODE | SALESMAN Joe

AUTO TAG NO. BPW307 | STATE Or

Mobil MOBIL OIL CREDIT CORPORATION — BILLING COPY

1 778 418 4 102180 4863398

SOLD PORTLA... 8225

CUSTOMER SIGNATURE X

PRODUCT OR SERVICE	QTY.	PRICE	AMOUNT
☐ LEADED ☐ UNLEADED MOTOR FUEL (GRADE)			
Wash			2.50
Wax			3.00
REPAIR ORDER #			
PRICES INCLUDE APPLICABLE FEDERAL & STATE EXCISE TAXES	SALES TAX		
TOTAL MUST AGREE WITH AMOUNT IMPRINTED AT TOP	TOTAL		5.50

CO-65 AHC (1-79)

If you have any questions about your account please write:
MOBIL OIL CREDIT CORPORATION
P. O. BOX 600
KANSAS CITY, MO. 64141

CREDIT CARD NUMBER	BILLING DATE
833 072 869 51	DEC 03 80

(1) PREVIOUS BALANCE 208.48	(5) NEW REVOLVING AND MERCHANDISE PURCHASES
(2a) PAYMENTS DEDUCTED 207.00	(6) NEW REVOLVING AND MERCHANDISE BALANCES
DATE(S) RECEIVED ENCLOSED	(7) REVOLVING AND MERCHANDISE INSTALLMENTS DUE
(2b) CREDITS DEDUCTED 12/25/80	(8) NEW REGULAR PURCHASES (NON-REVOLVING) 31.54
(3) UNPAID BALANCE 1.48	(9) NEW BALANCE 33.39
(4) FINANCE CHARGE ADDED 2164-37 ON AVERAGE DAILY BALANCE OF 45.64	(10) MINIMUM PAYMENT DUE 33.39
	(11) PAST DUE INCLUDED IN (9) 1.48

FINANCE CHARGE IS AVOIDED WHEN NEW BALANCE IS PAID IN FULL AND RECEIVED WITHIN 25 DAYS OF BILLING DATE

ANNUAL PERCENTAGE RATE		PERIODIC RATE
UNDER $ 500	10.0 %	0.83 %
OVER $ 500	10.0 %	0.83 %

NOTICE: See reverse side and accompanying statements for important information. **KEEP THIS STUB**

App. 0665

Cardmember Copy W

08790

Previous Balance ~~$349.80~~

New Charges 310.04

Credits – Payments #2117 H-25-80

New Balance ~~$659.84~~

Cardmember Number 3731-417960-61001

Payments or charges received after closing date below will appear next month.

11/03/80

[redacted]

Notice: See reverse side and accompanying statement(s) for important information.

American Express Company

FOR HELP WITH ANY PROBLEM OR QUESTION ABOUT YOUR ACCOUNT, CALL TOLL-FREE 800-528-1000.

Account No 3731-417960-61001 **Listing of Charges and Credits** 08790 Page 01 of 02

Card No.	Reference No.	Listing of Charges and Credits	Charges	Credits
100	204301	CHINATOWN RESTAURANT PORTLAND OR	2125	
100	009297	TYEE MOTOR INN OLYMPIA WA	1369	
100	101297	CHINATOWN RESTAURANT PORTLAND OR	1665	
100	015296	CENTURY HOUSE SEATTLE WA	7180	
100	033289	BAXTER'S CORNER #144 BEAVERTON OR	1075	
100	093287	SAML ROSENBLATT CO PORTLAND OR	2750	
100	029285	QUINNS MILL V-50 PORTLAND OR	1740	
100	003287	PRIME RIB RSTR & LOUNGE PORTLAND OR	990	
100	013287	CHINATOWN RESTAURANT PORTLAND OR	2000	
100	166284	THUNDERBIRD MTR INN PORTLAND OR	5200	
100	039282	ZEN PORTLAND OR	2295	
100	080280	BAXTER'S CORNER #144 BEAVERTON OR	915	
		PAGE TOTAL	29504	

Billing Date 11/03/80

Charge Records for extended payment plans are included with your first monthly billing only.

16 14 04 08790

99993141796064001200349801152 *

Please see reverse side for information regarding certain types of charges

American Express Company

FOR HELP WITH ANY PROBLEM OR QUESTION ABOUT YOUR ACCOUNT, CALL TOLL-FREE 800-528-1000.

Account No 3731-417960-61001 **Listing of Charges and Credits** 08790 Page 02 of 02

Card No	Reference No.	Listing of Charges and Credits	Charges	Credits
		CARD 3731-417960-61001---SUBTOTAL----->	29504	
101	051297	FREDERICK & NELSON #10 PORTLAND OR	1500	
		CARD 3731-417960-61019---SUBTOTAL----->	1500	
		PAGE TOTAL	1500	
		ACCOUNT TOTAL	31004	

CD 20205 (Rev 9-79) 4-80

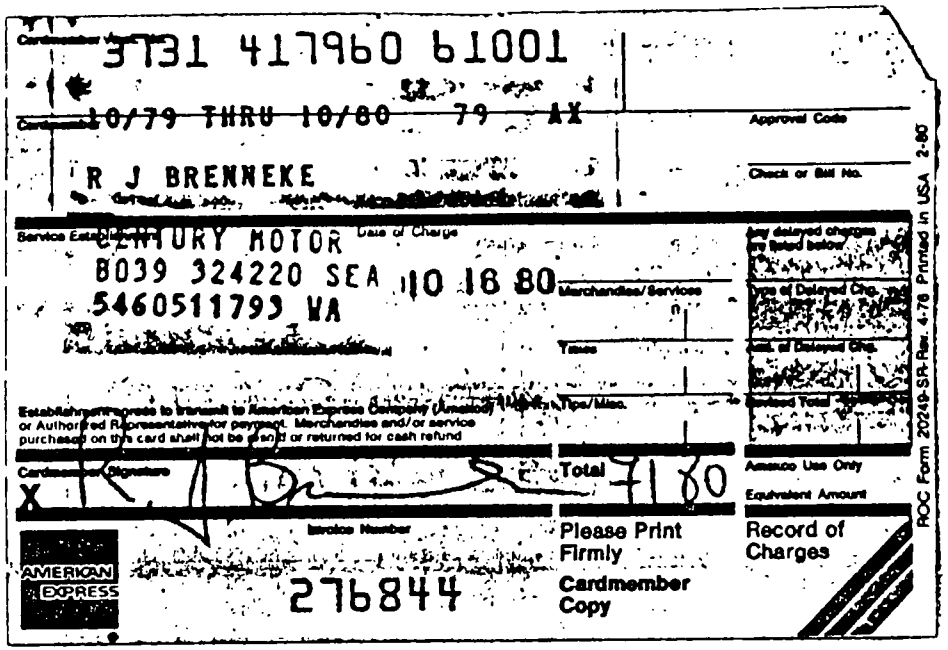
Billing Date 11/03/80

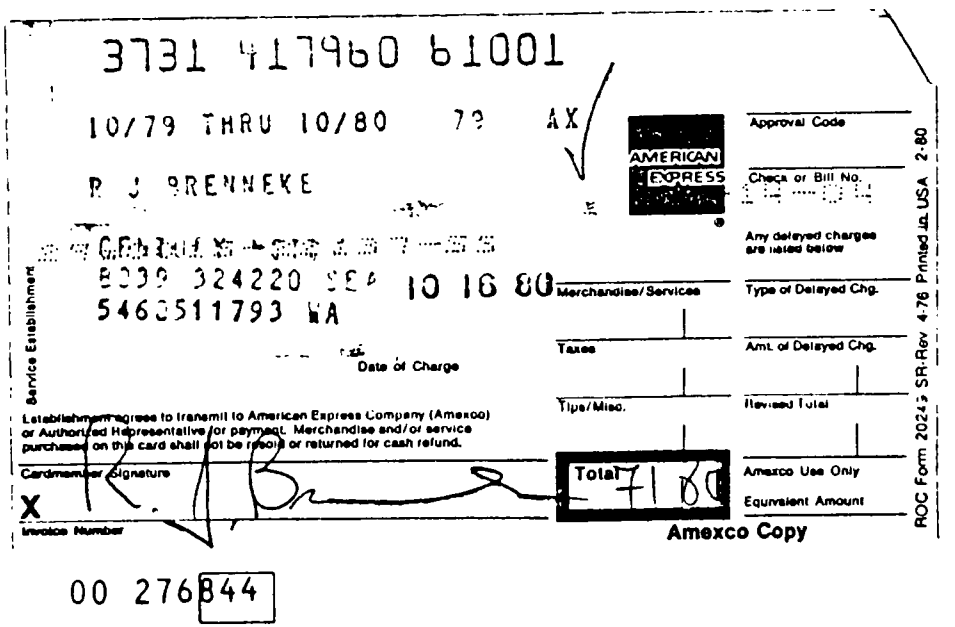
Charge Records for extended payment plans are included with your first monthly billing only.

16 14 04 08790

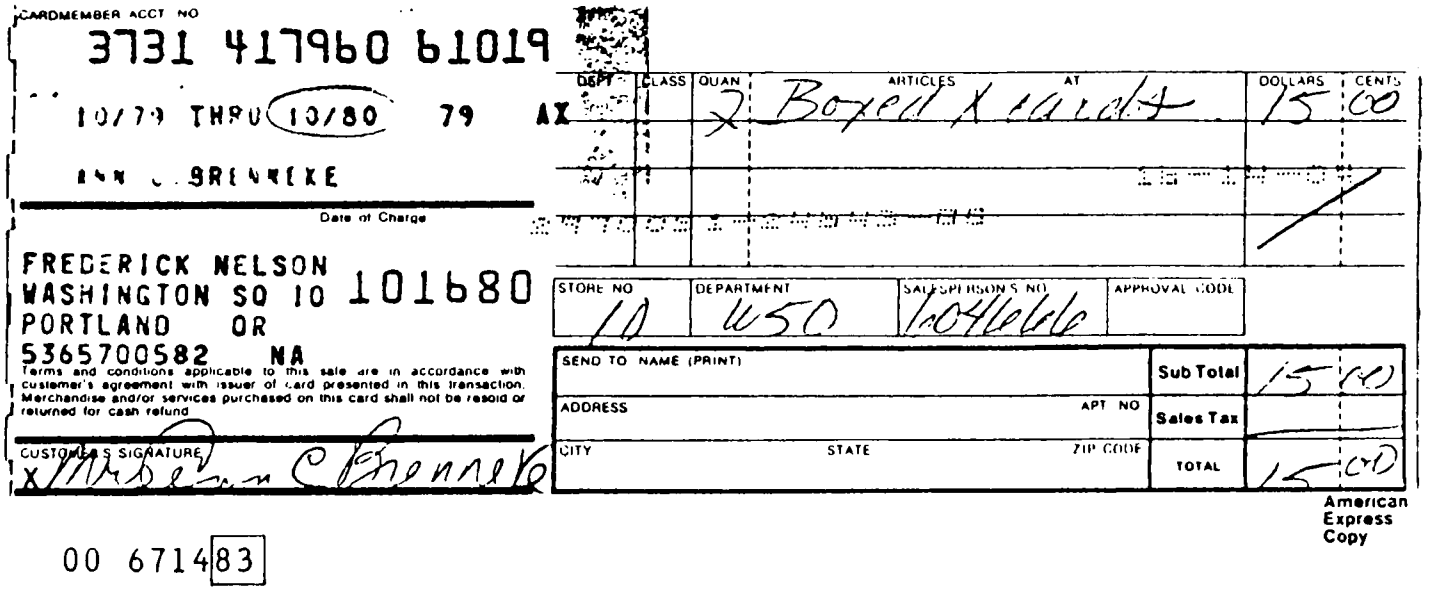
01523141796064002200000008152 *

Please see reverse side for information regarding certain types of charges


3731 417960 61001
10/79 THRU 10/80 79 AX
R J BRENNEKE
CENTURY MOTOR
B039 324220 SEA 10 16 80
5460511793 WA
Approval Code
Check or Bill No.
Date of Charge
Merchandise/Services
Taxes
Tips/Misc.
Total 71 80
Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.
Cardmember Signature
X
Invoice Number
276844
Please Print Firmly
Cardmember Copy
Any delayed charges are listed below
Type of Delayed Chg.
Amt. of Delayed Chg.
Revised Total
Amexco Use Only
Equivalent Amount
Record of Charges
ROC Form 20249-SR-Rev. 4-78 Printed in USA 2-80


3731 417960 61001
10/79 THRU 10/80 79 AX
R J BRENNEKE
B039 324220 SEA 10 16 80
5460511793 WA
Date of Charge
Service Establishment
Merchandise/Services
Taxes
Tips/Misc.
Total 71 80
Establishment agrees to transmit to American Express Company (Amexco) or Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.
Cardmember Signature
X
Invoice Number
Approval Code
Check or Bill No.
Any delayed charges are listed below
Type of Delayed Chg.
Amt. of Delayed Chg.
Revised Total
Amexco Use Only
Equivalent Amount
Amexco Copy
ROC Form 20249-SR-Rev 4-78 Printed in USA 2-80

00 276844



CARDMEMBER ACCT NO
3731 417960 61019

10/79 THRU 10/80 79 AX

ANN C. BRENNEKE

Date of Charge

FREDERICK NELSON
WASHINGTON SQ 10 101680
PORTLAND OR
5365700582 NA

Terms and conditions applicable to this sale are in accordance with customer's agreement with issuer of card presented in this transaction. Merchandise and/or services purchased on this card shall not be resold or returned for cash refund.

CUSTOMER'S SIGNATURE
X Ann C. Brenneke

DEPT	CLASS	QUAN	ARTICLES	AT	DOLLARS	CENTS
		2	Boxed X cards		15	00

STORE NO	DEPARTMENT	SALESPERSON'S NO	APPROVAL CODE
10	450	1046666	

SEND TO NAME (PRINT)

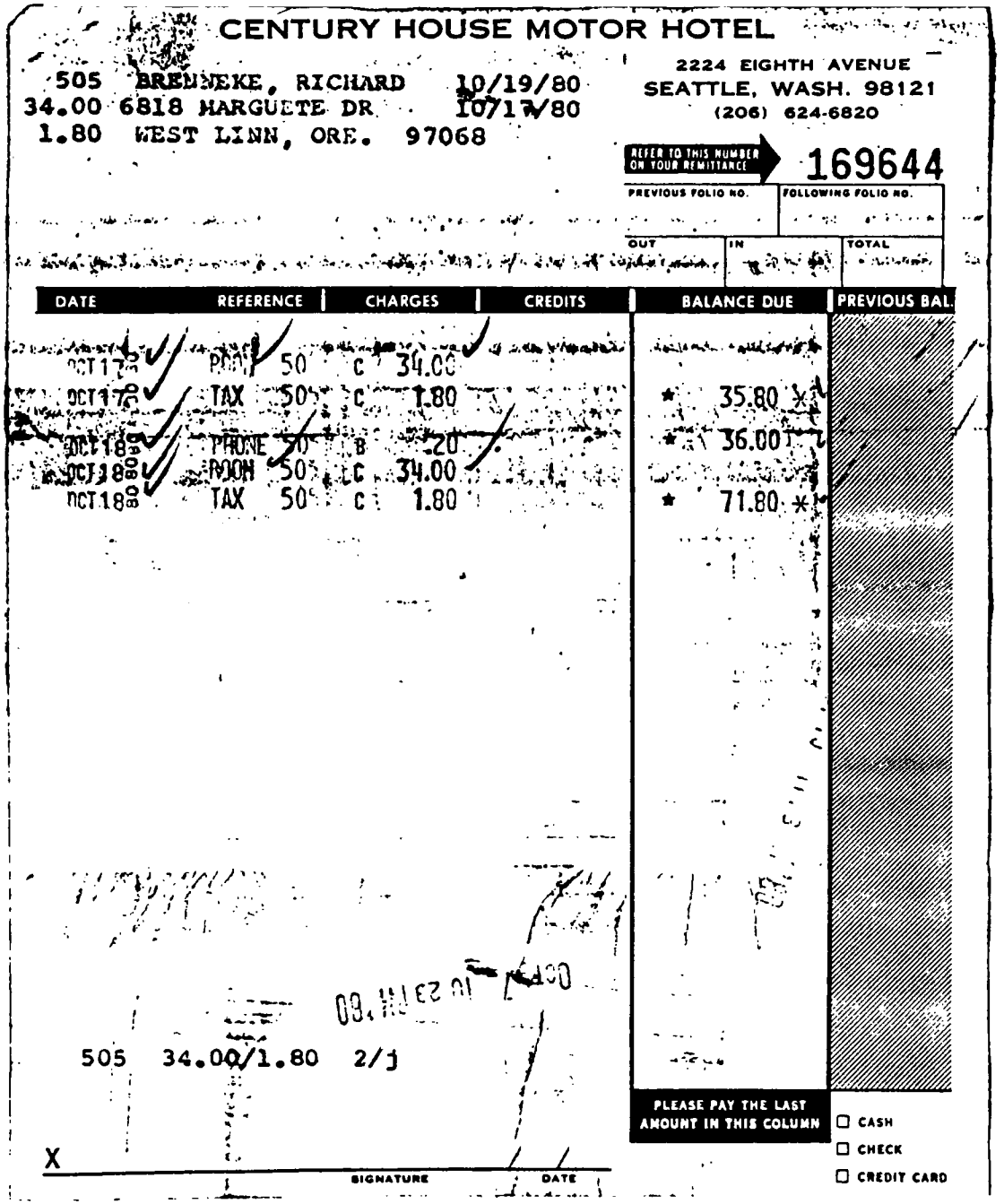
ADDRESS APT NO

CITY STATE ZIP CODE

Sub Total	15 00
Sales Tax	
TOTAL	15 00

American Express Copy

00 671483



CENTURY HOUSE MOTOR HOTEL

2224 EIGHTH AVENUE
SEATTLE, WASH. 98121
(206) 624-6820

505 BRENNEKE, RICHARD 10/19/80
34.00 6818 MARGUETE DR. 10/17/80
1.80 WEST LINN, ORE. 97068

REFER TO THIS NUMBER ON YOUR REMITTANCE: 169644

PREVIOUS FOLIO NO. | FOLLOWING FOLIO NO.

OUT | IN | TOTAL

DATE	REFERENCE	CHARGES	CREDITS	BALANCE DUE	PREVIOUS BAL.
OCT17	ROOM 50	C 34.00			
OCT17	TAX 50	C 1.80		* 35.80 *	
OCT18	PHONE 50	B .20		* 36.00 *	
OCT18	ROOM 50	C 34.00			
OCT18	TAX 50	C 1.80		* 71.80 *	

505 34.00/1.80 2/j

X
SIGNATURE DATE

PLEASE PAY THE LAST AMOUNT IN THIS COLUMN

☐ CASH
☐ CHECK
☐ CREDIT CARD

7-1 (Rev. 2-21-91)

FBI LABORATORY

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

Date: December 23, 1992

To: Inspector in Charge
Octoprise Task Force

FBI File No. 62A-HQ-1024847

Lab No. 21222015 D UD

Reference: Communication dated December 22, 1992

Your No. 62A-HQ-1024847

Re: OCTOPRISE

Specimens received: December 22, 1992

Specimens:

The following are credit card receipts bearing the signature "R J Brenneke" further described:

Q18 Blue carbon copy of American Express cardmember copy invoice number 225471, in the amount $13.69

Q19 White carbon copy of Q18

Q20 Original Chevron copy number U 054904, in the amount $5.25

Q21 Yellow carbon copy of Cardholder copy number 5487679

K2 The following items bear the purported known signature RICHARD J. BRENNEKE:

-Twenty-one American Express credit card receipts
-Two Mobil Oil credit card slips
-Eight cardholder receipts
-Twenty-two personal checks

Enclosures (6)

This Report Is Furnished For Official Use Only

ALSO SUBMITTED:

Fingerprint card of RICHARD BRENNEKE

Results of examination:

It was determined that Richard J. Brenneke, K2, prepared the questioned signature on Q20. The questioned signatures on Q18, Q19, and Q21 were probably prepared by Brenneke, K2.

Although the opinion regarding Q18, Q19, and Q21 is not a positive identification, there are sufficient similarities to establish a strong likelihood that Brenneke prepared these questioned signatures. The possibility of another writer is considered unlikely.

Q18 through Q21 and K2 have been photographed and are returned herewith.

29 SEPTEMBER — Monday

Fog AM clear 70's
Poor Pooh had a bad day.
Back better

clinoral -2
T3-1

Back & stomach Ex AM

30 — Tuesday

AM cl pm 75 Humid
Tired - sore back
in pm

Back & stomach Ex AM — clin-2
Good Kendo workout 1 1/2 hrs — T3

1 OCTOBER — Wednesday

Hot mid 80's
very sore back
very late finite working

Clinoral 3
T3-1

Back & stomach Ex AM

2 — Thursday

Hot High 80's - Lo 90's
W East Wind
Back stiff

clinoral 3
T3-1

Taught some judo
Back & stomach am. Eve good Kendo workout

Confederate Air Force Air Show — Harlingen through October 5

3 — Friday

Hot high 80's Low 90's E. Wind
Not sleeping well. Eyes & nites
Still hot & sticky
Sore back
Very irritable & tired pm

clinoral -2
T-3-1

Back & stomach Ex AM

4 — Saturday

Cl & warm Lo 80's
Ojukan tournament

Back a little sore but was on my feet officiating/working at shiai all day.

Clinoral-2
T3-1

AM Back & stomach Ex

5 — Sunday

Hot Cl 90 Record High
Fullers 40th Anniversary party
Vaice Day

Clin-1
T3-1

Back & stomach Ex AM

OCTOBER 1980

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Key Dates

"Time Out"

"There shall be wings! If the accomplishment be not for me, 'tis for some other." — Leonardo Da Vinci circa 1490

Must Calls

See Ikata's & Pictures

Metric Tidbit

App. 0672

NOVEMBER 1980

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Jot It Down

11 Th & 12 Th
Bonsai Exhibit
@ Japanese Gardens

OCTOBER

Monday CLR WRM Fnl 80's **6**
Back ache pm

Clin - 1
BACK/STOMACH EXAM F 3 - 1

Tuesday HOT M.D 80's **7**
Back ache very bad
TO BED early

Clinical - 3
BACK & STOMACH EXAM T 3 - 1

Wednesday Warm PM - NICE 70's (AM ok) **8**
Sore back
STILL a little irritable

Clin - 2
BACK & STOMACH Exam T 3 - 1

Thursday clear, windy Lo 70's Hi 80 **9**
SORE back

Good 1½ hr KENDO & Taught JUDO Clin - 2
BACK & STOMACH EX CLN T 3 - 1

Friday clear 70's - WIND **10**
Sore back + arms

Clin - 2
Back & Stomach Exam T 3 - 1

Saturday ☒ 60's **11** 178
Back really sore - ache inside. DAMN!

Clinical - 2
NO EX T 3 - 1

Sunday ☒ Rain 60's **12**
Back STILL Sore

Clinical - 2
BACK & STOMACH EX T 3 - 1

App. 0673

OCTOBER

13 Monday

OCTOBER

Ø – Rain

Back Better

COLUMBUS DAY

J Clinoral

Back & Stomach Ex Am

T3 – 1

14 Tuesday

Ø

Tired Update last night

Back Better

Clinoral-2

Back & Stomach Ex Am

T3 – 1

15 Wednesday

Ø two 60's

Tired. Update last night.

took ever relaxed

Clin-2

Back & Stomach Ex Am

T3-1

16 Thursday

Fog Then Clr

St Helens Eruption 11pm

Sole Back – no Kendo

Taught Judo.

Clinoral 2

Back & Stomach Ex Am

T3 – 1

17 Friday

Fog Then Clr

Clinoral-2

am Back & Stomach Ex

T-3-1

18 Saturday

Clr – Seattle

Kendo Tournament – Seattle

No Ex

T3 – 1

19 Sunday

Clr Seattle

Clinoral-1

No Ex

T3 – 1

OCTOBER 1980

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Key Dates

"Time Out"

October 19, 1927 was the inauguration of scheduled international air passenger service — Key West to Havana in a Pan Am Fokker F-7.

Must Calls

Metric Tidbit

1 sq. yard = 0.836 sq. meter

App. 0674

NOVEMBER 1980

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Jot It Down

Ki

1— EXTEND

OCTOBER

Monday 10am clr pm very pressured — **20**

Back very sore

Back & Stomach Ex — Cl.norm-2 T3-2

Tuesday clr v nice 60's — **21**

Back ache

Up late @ dojo

Back & Stomach Ex AM — Cl.n-2 T3-1

Wednesday clr nice — **22**

Back bothersome

Up late rup meet

Back & Stomach Exam — Cl.norm-1 T3-1

Thursday clr, cool, windy — **23**

Lite Judo workout — Cl.norm-1

Stomach & Back Ex AM — T3-1

Friday @ -R off/on — **24** *

VERY, VERY tired. Back ache off & on. Pressure D.O pushing me.

Back & Stomach Ex AM — Cl.norm-2 T3-1

Saturday Nice 60's clr — cl

~~Push-on meeting~~ — **25**

No formal Ex Stretch-putting in carpet on deck — Cl.n-2 T3-1

Sunday @-Rain to hvy rn — **26**

Sprayed plants w/ Diazenon-1.15cc

Fertilized outside plants w/ Peters 15-30-15

NO EX — Cl.norm-2 T3-1

OCTOBER

27 Monday

CLR V NICE
MISTING LATE
CUT LAWN

Clinorol-3
BACK & STOMACH EX F3-1

28 Tuesday

Clear-Cool & Very nice
Busy
Pool better

SIT UPS TO 50
BACK/STOMACH EX & AM + PUSH UPS (10)

AOPA Convention & Industry Exhibit — San Diego through November 2

29 Wednesday

Clear, Cool, V. NICE
V BUSY
BACK OK

50 SIT UP + 10 PUSH UP Clinorol-2
BACK & STOMACH EX AM T3-1

30 Thursday

Clear & cool nice wx
Bear snuck out w/ cat last night. Hunted for him all day. Found him NEAR Hazel Dell Tonight. Home OK
Thank God (V sore) Cl-1
STRETCH EX only AM T3-1

31 Friday

Cool - ~~65~~ 70's Rainbow eve
Not too many kids tonite
VTMA - reaction from yesterday, no doubt.

HALLOWEEN
T1-2
BACK & STOMACH EX T3-1

NOVEMBER

1 Saturday

RAIN - ☒
SORE NECK & BACK

Clinorol-2
No formal EX, Active Though T3-1

2 Sunday

☒ but NICE
Sore - lots of walking at W Sq.

Clin-2
3 MILE 30 MINUTE BIKE RIDE T3-1

NOVEMBER 1980

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Key Dates

"Time Out"

We're about to enter the age of Flight before we've even developed a chair that man can sit on comfortably. — Philip Wylie, American Columnist.

Must Calls

Metric Tidbit

1 sq. kilometer = 0.386 sq. mile

App. 0676

Telephone Conversation
Between
Richard Brenneke & Robert Benes

Thursday, October 13, 1988, time: 1:36
Robert Benes in Paris, Richard Brenneke in Western Oregon

RB: Oui.

RJB: Robert?

RB: Oui.

RJB: Robert, this is Dick Brenneke.

RB: How are you?

RJB: Good, how are you?

RB: Ah, no good. (laughing)

RJB: Oh, what's the matter?

RB: American television.

RJB: Ah, come on. Problems? No, no. I am calling again, I am back in the United States and now I'm thinking about coming back to Europe perhaps to see you.

RB: For which business?

RJB: Just to talk further with you about some business that we can do. But, I wanted to ask how you were.

RB: Just a moment.

RJB: Are you well?

RB: Hello?

RJB: Yes, yes.

RB: Yes, yes. With pleasure I see you again but, but I don't know for which business? Is it, this is funny, funny, funny, please, simply because I have many, many telephone numbers on my list. I am very busy.

RJB: Yeah, yeah. Your name, you, your name was in the paper Sunday in the United States.

RB: They want my name because it is, je ne sais pas, ah, liar.

App. 0677

RJB: Thank you, Robert.

RB: I will do good work.

RJB: Well, we'll see. I'll send this to you and then --

RB: And then when we are in Paris I very good, we'll see _____if we have any business ...

RJB: Yes, yes, of course... Allright, well I will talk with you again and let you,send you this material, this information.

RB: Okay.

RJB: Okay, take care of yourself.

RB: Okay.

RJB: Okay, bye-bye.

RB: Bye - bye.

End of conversation with Robert Benes at 2:00pm, Thursday.

Excerpts from collect call with Ben Bradley, Jr. following.

RB: Okay. When I say this to the Americans, "Okay give me the Supreme Court" (laughter)

RJB: Understand, I understand ...

RB: Yeah, it is joke, very simple (laughter)

RJB: Yeah, we don't know. But I just called to tell you because -- I send you what is in the paper.

RB: Yes for me it is needed the printing, I don't understand... Maybe it is part of the what, maybe it is part of the election no?

RJB: I don't know, People say you are very important, very -

RB: Thank you very much.

RJB: Yes, I tell you this -- Now, I know Col. Benes is very important. Know,

RB: No, now I am just a fool --

RJB: Is that so, I don't believe that.

RB: Yes, I help rescue persons who sink in the court because I am, I am the poolboy.

RJB: Uh huh. Uh huh. Yeah, yeah I understand.
Yeah I understand that. Well there is something to be important.

RB: Well, I am very glad, very glad to see Mr. Bush if nothing else.

RJB: Yes,yes. Well, but not perhaps today, maybe you are busy.

RB: Ah, well it is something -- Now, I make the choisie, I kept ____, I make the hotel and the, extra warm, and then cool. It is very, very, very, very, very busy. But I am, the connection...

RJB: Yes, yes, Good, that is good.

RB: Well, of course, because ...

RJB: That is good business I think...

RB: No, no and interesting...

RJB: Huh, what, Oh, interesting,. Yes, very interesting.

RB: Okay --

RJB: Okay, I send this to you then we talk. Okay?

RB: Okay.

RJB: That is the reason for calling.

RB: Yes, yes.

RJB: And they call me, reporters call me. Reporters call you. Again, again, again. And I tell them, you know, "Go away". I say nothing.

RB: Yes because they ask me, "Do you know, Monsieur Richard..." I don't know him, yeah, I don't know him...

RJB: Yeah, they ask for me, "Do you know Monsieur Benes?" -- Ah, there are lots of Mr. Beneses in Europe, I don't know which one, ah, it is very difficult. So, but I --

RB: There are. There are very many Benes in the world, in Czechoslovakia, in France, in Argentina, in USA, many Benes --

RJB: Yeah, yeah -- you have, your family is in Czechoslovakia.

RB: Oh, well, a few,

RJB: A few. Yeah, a few --

RB: A part of the world.

RJB: (laughter) I think so, I think so. And, but, I just, I'm calling --

RB: I know, but what from me?

RJB: Again, I don't understand.

RB: That was with my telephone number. On Tuesday I go to Jasmine on my telephone it is so simple. Because it is very, very stupid. And I, then, the demands of --<u>reverts to French</u>--, it is very sticky,

RJB: Yeah, yeah. Always. Well, I just want to see how are you are and tell you what is happening. I write this down and send it to you.

RB: Yes, yes. Write to me, ah, yes and put it on the papier --

RJB: Yes,I will put it on the papier and send it --

RB: It is difficult to understand --

RJB: It is easier to understand, I think.

RB: Because I don't (laughter)

RJB: Yeah, it is easier then to understand. And you are, you are, for many people, a very important man.

RJB: You read that.

RB: Your paper, we have nothing in french. I'm very good to read one (garbled words).

RJB: Yes, I will send this so you can read it. And you can tell me if this is correct. I don't know if it is correct or not but I will send it to you to read it.

RB: Yes, but, you know, I am not admitting to it because you are _____ me. You do, too, I am not _____.

RJB: Well, I know. I understand. People say that you were a friend of Mr. Casey, you know about these things and so forth. Now, I have no answer. I say nothing. I don't know. I say nothing about this. But, I tell you, I put this in a letter for you to explain what is being said because people talk also about me and sometimes it's not good. Too much talking.

RB: Yeah, but I think what these people are talking about, well, it's for what?

RJB: I don't know. I don't know the reason.

RB: What they want to prove, from Mr. Bush or not from Mr. Bush?

RJB: I do not....

RB: What these (expectations)?

RJB: They want to prove that Mr. Bush was helping to free the hostages in France. That he was meeting in France to help free the American hostages. And I -- So, maybe he did but this they say that the proof is, did Mr. Bush go to France to help free hostages? That is the question. That is the question, that is the question people ask. It is a serious question but that is why th[illegible] talk with you because of, also, Mr. Casey and maybe Mr. Bu[illegible]d so forth, maybe you talked with them, maybe not, do you [illegible]and?

RB: Yes, but I'm not in the position, it is imposs[illegible]..

RJB: Well, I say nothing, I say nothing ...

RB: But you have also been hinting...

RJB: I say nothing because --

RB: I don't know Mr. Bush, not yet, I hope maybe someday --

RJB: Well, perhaps, perhaps, yes both of us. But I don't know, that is why they call.

RB: That, that blowing the bubble ?

RB: Yes, but what for....

RJB: Yeah, I understand.

RB: For what?.....(missing phrase)

RJB: Yeah, well, I don't know. I just, I met, I talked, I tell you this, I think this man you met in, Mr. Killian, in France that we met, I think will talk to you and possibly will bring up money for looking at papers, for talking about 1980 and Mr. Casey, and so forth.

RB: _____ Mr. Bush and Mr. Casey in 1980 in which city because I knew DeGualle, is it possible?

RJB: I don't know, I don't know the answer. But, I think this will happen and more, I think, possibly people in U.S. government, in American government, will talk to you. They, government officers also want to talk to you, I think.

RB: But I don't know for what? Because a talk with Mr. Bush and they hunt with Bush. For what me, because I don't know Mr. Bush.

RJB: Oh no, they think you understand.

RB: No, because I don't understand because we don't, that's not information but the, that can't be said, you see, in the newspapers I am my name because they learned my name, we don't know for what, for what the people ask, we don't know Mr. Bush, for what? I don't understand.

RJB: Yeah, okay, I send you.....

RB: Because Mr. Bush is the (president), he's a (rubber) man, he's a, because he's not quite mad.

RJB: No, no, no.

RB: I don't know, for what?

RJB: No, they say Mr. Bush, in 1980, was helping with the hostages in Tehran in Iran at the U.S. Embassy. Mr. Bush was helping to get them free, they say.

RB: This is an American problem, this is not my problem.

RJB: I understand, but that is what they say.

RB: I never go to Tehran, I don't know Iran. (garbled words).

RJB: I understand. I will send you the newspaper information from the United States.

RB: Yes.

That would be stupid, is but I do not, I don't know how to say in English.

RJB: I'm sorry, my poor french, my french is so bad.

RB: And my English is so poor.

RJB: No, your English is okay.

RB: Oh, stop it, you cannot fool me.

RJB: No, but my french should be better and it is not. But, we try...but, I know that people say yes, yes, Robert, in 1980, he was talking to Mr. Bush and Mr. Casey, and so forth and so forth..... I don't know.

RB: I interrupt you. Yes, and they too agree.

RJB: This, keep in.....

RB: And for what, I talk with Mr. Casey and Mr. Bush for what?

RJB: I don't know.

RB: Well, we'll have to....._____ because I do not _____.

RJB: Yeah.

RB: It is unnormal (?).

RJB: Yes, yes. It's difficult to understand because you and I, we talk, and understand each other.

RB: Yes, I understand you and you understand me. I don't.....

RJB: The other people I don't know. I don't know what they are asking.

RB: But for what, you know? I know Bush, for what, you propose what, you say I know Bush, for what?

RJB: They want to say, uh, okay, they say Mr. Bush in Paris in 1980. I say, well, I don't know. But they say Robert knows. Robert knows Mr. Casey so, and maybe Robert saw Mr. Bush in 1980. I don't know. For me, I say nothing, I don't know.

RB: Nothing, okay.

RJB: I don't know, what does Robert know? I don't know. No answer. So, I just am calling, I know that people will offer money to you, will give you money for talking about.....

RJB: Okay. They, they talked, she has called me and I did not know if she calls you.

RB: Yes, yes. Never call me.

RJB: Okay.

RB: Newspapers said me, Miss Barbara give your name.

RJB: There's a lady, she is in the United States in California.

RB: Yeah, in California. She worked before in the (Pentagon).

RJB: Yeah, I don't know whereall. She was in Washington, D.C. for awhile and now is in California. I know who she is.

RB: Because I have a telephone number from Washington, Hotel Washington.

RJB: Is that so?

RB: Is stupid. But from what why not talk directly with Mr. Bush? You have to tell Mr. Bush that you know that this is possible...

RJB: Again, I'm sorry, I.....

RB: I want to talk with Mr. Bush because he is a big, big man with many considersation in Europe. But, I don't know who's head of the controversy.

RJB: But, you did not talk to him. Did you?

RB: Never talked, never seen, never.....on television and movie.

RJB: Yeah.

RB: All the poeple in the world.

RJB: Yeah, yeah. I understand, understand.

RB: It is really is very, very, very stupid and funny. Now, I give a name, Mr. Dupont (ph). I give you a telephone. You call yourself, Mr. Dupont, in Marseilles or in France, is different, monsieur.

RJB: Now, wait a minute, this man, you want me to call someone.

RB: I do not know in English, my wife is not here. The world is (french word).

RJB: Yeah, okay. Is this to talk to someone?

RB: This morning, at 6:00, ring me back again. Hello? This is Robert Benes. Hello? Other times I say, shit, it is not possible.

RJB: Yeah, I understand. A journalist who talked to you. There is, your name is coming up more and more. In fact, I tell you, that some now are considering talking to you, paying you for the interviews and for looking at your papers.

RB: .....right to give me the papers with my endeavors. This is funny.

RJB: Yeah. This is what, this I understand.....

RB: I have a memo in the Washington Post, Mademoiselle Barbara Honnegger.

RJB: Oh?

RB: It is, mentions my name, yes.

RJB: Yeah, yeah.

RB: Did you notice anything.....?

RJB: Yeah, I saw the.....I have not seen the thing, the story, but I understand that that happened, yeah, yeah.

RB: But, I never, I do not know Barbara, never seen Barbara.

RJB: Yeah, I.....

RB: This Barbara, she knows me or why?

RJB: Again, I don't understand.

RB: I've never seen this girl.

RJB: Yeah.

RB: But, her money, she said she was from newspaper. I remember Barbara, she offered me money if I give name and telephone number, and she sent me money, no. Is business for Barbara, aussi.

RJB: Yeah, yeah.

RB: Yeah, yeah, I went to see Barbara.

RJB: Barbara?

RB: Yes, because I interested, in France, to (french word). I don't know in English. Is not true, heh? What she say, heh? For what, for what, because we don't understand.

RJB: Have you talked to this lady Barbara, did she call you?

RB: Non. Is the newspapers that made Barbara give the name.

C.H. MANAGEMENT INC.
Real Estate
388 North State Street
Lake Oswego, Oregon 97034
503.635-3626

31 [illegible]

15 January 1986

The Vice President

RE: Requests made by IRAN to the UNITED STATES

Sir:

I am writing to ask your assistance in dealing with requests made by the government of Iran regarding Middle East peace and the normalization of relations with the United States.

My partner and I have been contacted by officials of the Iranian government. They have asked us to assist them in bringing their requests to the attention of appropriate, responsible officials of the government of the United States. You are such a person. They have tried to do so themselves, but with no success.

To help you answer two obvious questions: I have attached a listing of references whom you may call to determine who we are. There are very good reasons why the Iranians approached us and I would be pleased to discuss these with you.

Iran has offered to meet with representative(s) of the United States: to discuss normalization of relations with the U.S. and methods of achieving peace in the Middle East. They are willing to also provide ongoing intelligence information, especially with regard to terrorist activities. They are also willing to provide, as a gesture of their good faith, several current Russian weapons systems which are wanted by the Department of Defense.

Attached is an outline of the procedure I have followed in bringing our information to the attention of the U.S. government.

Because we learned of considerable military and political intelligence as well as the offer of weapons systems, I first brought this situation to the attention of the Department of Defense immediately upon learning of it in mid-November 1985. Because of the responses from DOD I waited until early January 1986 and then brought this to the attention of the State Department.

DOD has reviewed the intelligence information I gave them and, I believe, found it to be substantially accurate. This information is contained in the two attached memoranda and details Iran's offer and several operational attempts to deal with Iran by the

App. 0686

U. S. government. Due to the nature of the material involved, I have restricted the information to those who have had a definite need to know about it. I am told it is considered quite sensitive

DOD ultimately concluded that they could not proceed. They told me that the policy of the United States with regard to Iran has not changed and that no further discussion of the Iranian offer is possible at present.

We have had no reply from the State Department as of this date.

Iran approached us in mid-November 1985 and the information was immediately relayed to DOD. DOD asked for, and we obtained for them, several extensions of time so that they could further consider the situation. However, considerable time has passed. We have been told by our Iranian contacts that if there is no action or reply very soon they will have no choice but to negotiate with the Russians for assistance.

At present Russia has a delegation in Tehran which is attempting to negotiate an arms and assistance pact with Iran. Russia desires to re-equip the Iranian armed forces in exchange for Russian control of the Iranian navy and control of operations in the Gulf. Iran does not want to become another Afghanistan nor does it wish to become a Russian satellite. Unfortunately, they may have no choice.

The Iranian officials have stated that they will have their Ambassador meet, unofficially if you wish, with a responsible representative of the United States. They will do this immediately, anywhere in the world. They would prefer such a meeting to be held in secret.

At this meeting they will provide the U.S. representative with a memorandum signed by their highest government officials outlining a several year course which they hope will serve as a pre-agenda for talks leading to peace and the eventual normalization of U.S.-Iran relations. They will also provide for immediate transfer to a NATO country for the U.S. of one T-80 tank.. They will also wish to discuss the purchase of defensive weapons.

I am not certain whether the decision given me by DOD is the final U.S. decision on the subject of discussions with Iran.

I believe that this is an honest gesture on the part of Iran. I do not see why talking with them in secret would in any way damage the United States. I do not think that the goal of our foreign policy is to turn the Gulf into a Russian sea and to allow Russia to strengthen its influence in the Middle East. However, unless you can assist in opening discussions it seems that this will happen.

Any assistance or advice you can give me with regard to this problem would be very greatly appreciated. Since time is essential, I am willing to come to Washington, at my own expense, to discuss this entire situation with anyone you designate. Thank you in advance for your assistance.

Yours,

Richard V. Branneke

App. 0687

Encl.

Ambassador Robert E. White

INTERNATIONAL CENTER FOR DEVELOPMENT POLICY

731 EIGHTH STREET S.E.
WASHINGTON, D C. 20003

Friday, June 10, 1988

Mr. Lindsay Mattison
International Center for
Development Policy
731 Eighth Street, S. E.
Washington, DC 20003

Dear Mr. Mattison,

In the next few months, the American public will be hit with a series of startling new revelations in the Courts and before Congress. Soon there will be new information about Executive Branch involvement in drug trafficking and illegal arms shipments in support of the Contras.

Some of these charges will involve the staff of Vice President George Bush.

Here at the International Center, we have located and brought onto our investigative team the most important and explosive witness in the Iran-Contra Scandal yet to come forward -- Richard Brenneke, who for 13 years served as a contract agent for the Central Intelligence Agency.

Mr. Brenneke was among the key agents hired to set up a secret Contra supply network -- three years before Lt. Col. Oliver North launched his now famous covert operation.

The information Mr. Brenneke is bringing to light is shocking and of timely importance to the public.

The International Center staff now has access to letters which Brenneke wrote to the CIA, the White House, and the State Department protesting an arrangement he discovered between the Medellin Cocaine Cartel in Colombia and the Reagan Administration.

Mr. Brenneke tells us that the only response he received from these letters were orders to "shut up" and a threat by U.S. government officials to prosecute him.

According to Brenneke, the U.S. government traded access for drugs into the United States to the Cocaine Cartel in return for their aid to the Contras. The Contra-supply network used the Cartel's airplanes, pilots and ground facilities, as well as profits from drug sales.

Mr. Brenneke also told International Center staff that Vice

NOT PRINTED OR MAILED AT GOVERNMENT EXPENSE

President Bush's National Security Advisor, Donald Gregg, was a key contact for the arms network and that Gregg brushed off concerns Brenneke presented about receiving aid from the Cartel.

In just two weeks on the Center staff, Brenneke has been the lead story on CBS Network News and ABC News and in NEWSWEEK magazine.

With your help, we at the International Center, will make sure that the full truth is brought to light.

For more than two years, I have been associated with the International Center here in Washington, working with an investigative team that has mounted an extensive independent probe into illegal actions by the Reagan Administration.

> It was the Center's investigative work that helped uncover the secret operation being run out of the White House by Lt. Col. Oliver North.
>
> The Center's investigators traced the pattern of illegal arms shipments, payments to offshore bank accounts, and involvement of high Administration officials.
>
> We found witnesses who described how Lt. Col. North made illegal cash payments to the Contras, arranged secret arms shipments during the Congressional ban, and guided the cover-up at the White House, the Pentagon and the CIA.

Both the press and the Congress have come to depend on our independent research team.

The NEW YORK TIMES now calls the Center "an influential and well-informed source" on the scandals. Center staff and witnesses appeared on ABC News, "20/20", CBS News, "West 57th Street" and "60 Minutes" during the initial investigations.

The CHRISTIAN SCIENCE MONITOR summed up the role of the International Center:

> "The Center has played a major role in investigating the extensive private network of Americans who have advised and supplied Nicaragua's contra rebels. It has been a key source of information for Congressional committees looking into the issue."

The need for your support now is urgent. The full extent of White House involvement and that of the CIA has yet to be uncovered.

We at the Center are committed to doing everything we can to

confront this travesty of justice and democracy -- and ensure that the American people know the full truth. With your help, we can.

But there is a great deal of work to be done. Brenneke's testimony must be confirmed with hard evidence. Documents have to be recovered ... phone records must be identified ... links to the White House, CIA, and other agencies must be investigated ... and Mr. Brenneke's notes must be carefully reconstructed.

I know you can appreciate that the International Center must take on this urgent task. No other group is better prepared to provide public information central to the coming debates.

More than 500 influential private citizens have become involved in the International Center's work during the past five years. Included are former officials of the Departments of State and Treasury, retired military officers, and leaders in academia, business, and labor -- all working together as volunteers.

We helped bring the first reports of the Administration's once "secret war" in Nicaragua to the attention of the public.

We helped expose the grisly truth about El Salvador's death squads in tens of millions of living rooms through a special CBS News-Walter Cronkite interview.

We provided information which contributed substantially to Capitol Hill support for the peace initiative undertaken by the four nations involved in implementing the Central American Peace Plan.

As a former U.S. Ambassador, I have seen firsthand how dangerous -- and tragically shortsighted -- is the Administration's foreign policy. That is why I am absolutely committed to the Center's groundbreaking investigative work.

This recent breakthrough is a result of our cooperation with hearings held by the Senate Foreign Relations subcommittee headed by Senator John Kerry. These hearings grew, in large part, out of our investigation of the secret "private" aid network run out of the White House by Lt. Col. North.

The Kerry hearings, held in February, uncovered the CIA and North's ties to Panama's General Noriega -- and Noriega's ties to Colombian drug lords.

The Kerry hearings will continue throughout June and July. They will force the release of still more Iran-Contra documents and will generate vital testimony -- not heard by other Congressional committees.

And the trial of Lt. Col. Oliver North, Admiral John Poindexter, General Richard V. Secord, and Albert Hakim -- set to run throughout the summer and fall -- will provide a critical forum to uncover the truth.

Our experience with Senator Kerry's investigations in the past -- as well as our knowledge of the issues and our standing with the press -- are invaluable assets to meet the challenge we now face.

We have a great deal of work ahead of us. I know you agree with me that we cannot miss this chance to make certain Mr. Brenneke's testimony is heard -- to inform the public fully about the role of federal officials and government agencies in the very schemes they are sworn to prevent.

We simply must have your help now if we're to meet our goal.

The Center's overhead costs are covered principally by foundation grants, but we must obtain additional funds to pay the cost of this extraordinary investigation. In the next 60 days alone, our investigation will need $50,000.

Time is short if our investigation is to make a contribution in 1988. We simply don't have enough time to raise these funds by traditional means. I am hoping that 50 far-sighted and enlightened Americans will each contribute $1,000 to help us meet these immediate needs -- and that you'll be one of them.

Your tax-deductible gift of $1,000 will help underwrite the expenses of our investigative team and of our work to make their urgent findings known to Congress and the news media.

Please, then, take time today to write out a check to the International Center.

There is much more to be discovered -- in Senator Kerry's hearings and in the months of trial ahead. You can make sure, with your $1,000 gift to the International Center, that our team is at work here in Washington to uncover the full truth -- and bring it to the light of day.

Sincerely,

Robert E. White
President

App. 0691

FAX & Send copy to by mail (EXPRESS)

August 1, 1988

Dear Mr. Brenneke:

Your failure to appear on Monday of this week -- as you told me you would -- is cause for my putting an end to our relationship. This is not the first time your non-performance has embarrassed me or inconvienenced our staff and others.

The arrangement which we had was premised upon your best efforts to work with the International Center staff to document the activities -- gun-running, drug smuggling, illegal "Contra" aid, etc. -- which you claimed to have engaged in on behalf of the Vice-President's staff and others in the U.S. Government. To do this you would have to be present here in Washington, produce promised documents, solicit the assistance of past associates and assist us in fact-finding.

Instead, you have mostly -- during the period of empoloyment -- stayed in Portland, failed to produce even your own chronolgy of past events, and pled a variety of excuses -- including ill health, financial embroilment, and legal risk. Now, you again postpone activities for which you led me to beleive you would be available in Washington to perform. You ask me to consult with your lawyer to work out a clearer arrangment.

You are not a movie star and I am not a company seeking to make a movie which you can disrupt by sulking in your tent. Instead, you have simply ended our relationship by non-performance.

I agreed to pay you $4000 per month for six months. You asked that on top of this I pay your living expenses and travel costs while here in Washington. We did not come to an agreement on this. Instead, I bore the costs of your stays here and tried to say cut travel down, until we agree. You pushed for more trips to Portland -- and then had many excuses for not returning. I went so far as to send [redacted] Blake to Portland -- twice -- to help you gather documents, [redacted] etc. Now, you say I must come to a new arrangement with you lawyer.

I do not and will not make any further arrangement with you. You have refused to perform, and I [redacted] through trying to enforce our agreement. Your expenses as submitted (on top of the hotel and other living costs which I have paid) are absurd, undocumented, not agreed to, and won't be paid. I have informed our travel agent to refuse all requests from you, instructed my staff to collect your papers and return them, and explained to them that as of July 31, 1988 you are not associated with us.

I had high hopes for our association, and explored with you ways to stablize your financial situation and professional carreer, and looked forward to helping you find a permanent role in the arena of public policy research. I am sorry that these hopes were misplaced.

Yours very truly,

Lindsay Mattison
Director

App. 0692

6 September 1988
Washington D.C.

FOR: Lindsay Mattison

FROM: Dick Brenneke

1. Here is a proposal suggesting an approach which I believe will be of benefit the Center in information, direction and future funding. In it I have set out the next steps I believe necessary. I would like to discuss this proposal with you in detail after you have had time to read it and think about it.

2. Z magazine, Peter Kadhammar, published a long story about me and the Bofors sales in their September 1988 edition. The original is attached. I also sent a copy to Mr. Timmerman, Bob Parry's associate on Newsweek's European desk.

Kadhammar has generated considerable interest with this story and I have had several calls from European journalists.

3. Jonathan Edwards has runs his documentary on Swedish television this week. It has been previewed by a number of journalists and he has several requests for it from television stations in other European countries and the United States. Even before it has run, it is causing a stir. He will send a tape for you later this week.

4. Jonathan Edwards called today from London. He is recovering from a very serious accident but is now back at work. His company would like to bring me to Europe at their expense about September 15th to meet with numerous Swedish government officials. He is making the appointments now. I explained that travel and meetings in Europe are subject to your approval. The Swedish government has asked that we keep any discussion of meetings confidential. I agreed to that.

5. Jonathan has lined up several meetings for me designed to

assist them in tracking down information regarding Bofors' howitzer sales. This could involve a veritable hegira as they would like me to go to England, France, Germany, Sweden, Nigeria and the Middle East. I don't know how they missed the Far East but I'm sure they'll add it.

6. As a result of the magazine and television coverage, Jonathan is arranging for me to meet with several European journalists. Might be a good thing to put the Center's name out in Europe.

7. I met with Jack Blum several times last week. I don't know where he will go from here. He is waiting for documents from both the F.B.I. and the Central Intelligence Agency. He is convinced that the Agency has been lying to him and is trying to get past that. I intend to stay in touch with him.

8. I told Jack Blum that Rich Muller had received a call from the Customs' agent with whom I did some work several years ago. He would like to meet with me in Houston to discuss the ground rules for talking with Blum. I don't know what these will be as he refuses to discuss the situation on the telephone. He wants to see me in person. I told Jack about this and explained I would need to talk to you before I went anywhere.

9. Der Spiegel came out this morning with a long article in which I play a part. They are sending over a copy Tuesday. I will see that the original is put on your desk. They seem quite pleased with the results and plan to do a follow up. They would like to have me introduce them to two people in Europe and several people in the Middle East. They would also like to sit in on a meeting with Bani-Sadr and me in Paris. If I go to Sweden, I can do this at the same time. I told them I would get back to them later this week on their request.

10. Attached are two summaries. The one titled "Iran: Early Arms Sales" provides an analysis and summary of Barbara Honegger's information and adds information I have. It suggests several very fruitful areas of inquiry that should be followed up.

The summary on Frank Camper probably contains nothing new. I discussed it with Jack Blum and he seems to be aware of what I have there. I think the F.B.I. item should be followed up, though, as it could yield interesting results.

11. I sent a copy of the report Blake did to Stuart Diamond at the New York Times and talked to Diamond after he had read it. He was very impressed and may follow up some of it himself. Unfortunately, he is going back to Harvard for law school soon.

12. Bani-Sadr can be reached in Paris at his home telephone: 39540147.

13. I am leaving for Portland this Thursday and expect to return to D.C. the following Thursday. You did say that I could take one trip to Portland each month and I have been gone a little over three weeks now.

Unless we agree on something else, I plan to come directly back to Washington. I would like to see people in Seattle, Los Angeles and Texas as soon as possible, though. All can be of assistance, as the proposal explains.

In Seattle I have a friend looking into the backgrounds of some of the people I have met in an attempt to locate two of them who live on the West Coast. In Los Angeles, Public Radio and Television - Ian Moss, would like to do another interview with me on Iran-contra. In Austin, the ABC affiliate would like to interview me for a news

broadcast and talk show in their on-going investigation of Iran-contra and early 1980 arms sales.

The people I want to see in Austin are going to break considerable hard evidence relating to early 1980 arms sales. The ones in Houston could go a long way toward helping Blum draw on additional information Customs has regarding my activities.

Dick



Harry Rupp
Aircraft Logs From 16 June 1980 through March 1980

Date	From	To	Aircraft No/Type	Time
Harry Rupp				
Aircraft Logs From 16 June 1980 through March 1980				
Date	From	To	Aircraft No/Type	Time
16-Jun-80	eggw	egnu	DA-MUC/111	1plus10
18-Jun-80	egnu	eggw		Seven
31-Jul-80	Tucson	local	440	
21-Jun-80			440	
30-Oct-80	Burbank	local		
23-Dec-80			N1125J/111	
13-Jan-81	Burbank	Vegas		
14-Jan-81	Vegas	dc		
21-Jan-81	DC	cyqx		3plus30
22-Jan-81	cyqx	lfpb		5plus35
23-Jan-81	lfpd	lgat		3plus40
23-Jan-81	lgat	oery		4plis25
24-Jan-81	oery	heca		
28-Jan-81	heca	oery		
30-Jan-81	oery	oejd		
31-Jan-81	oejd	oery		
02-Feb-81	riad	edds		
02-Feb-81	edds	eghh		1plus45
05-Feb-81	eghw	nyc	no nos	7plus5
05-Feb-81	NYC	denver	no nos	3plus15
19-Feb-81	Denver	aspen	CR-AAM/111-400	
19-Feb-81	Aspen	Vegas	CR-AAM/111-400	
20-Feb-81	Vegas/Aspe	Denver	CR-AAM/111-400	
02-Mar-81	Denver	Dulles	no nos	3plus0
04-Mar-81	DCA	eggw	no nos	6plus15
05-Mar-81	eggw	abudbi	no nos	6plus30
08-Mar-81	abudbi	oejd	no nos	
10-Mar-81	oejd	oeri	HZ-MOI/111-200	2only
11-Mar-81	oeri	heca	no nos	
13-Mar-81	heca	lgkr	HZ-MOI/111-200	

Page 1 RJB 10/23/88

App. 0697

Harry Rupp
Aircraft Logs From 16 June 1980 through March 1980

Date	From	To	Aircraft No/Type	Time
13-Mar-81	lggk	lfpb		
16-Mar-81	lfbp	heca		4plus50
17-Mar-81	heca	oery		
26-Mar-81	oery	olbi		2plus25
26-Mar-81	olbi	edds		4plus45
27-Mar-81	edds	eghh		
	further	entries		

Harry Rupp
Aircraft Logs From 16 June 1980 through March 1980

Date	From	To	Aircraft No/Type	Time	Remarks
16-Jun-80	eggw*	eghu	DA-MUC/111	1plus10	
18-Jun-80	eghu	eggw		5even	
01-Jul-80	Tucson	local	/440		
21-Jun-80			/440		chochise al - 29 Ju
30-Oct-80	Burbank	local			test flite
23-Dec-80			N1125J/111		
13-Jan-81	Burbank	Vegas			quailes/kurner
14-Jan-81	Vegas	dc			j salicroup/ironsic
21-Jan-81	DC	cyqx		3plus30	j salicroup
22-Jan-81	cyqx	lfpb		5plus35	
23-Jan-81	lfpd	lgat		3plus40	
23-Jan-81	lgat	oery		4plus35	
24-Jan-81	oery	heca			
25-Jan-81	heca	oery			
30-Jan-81	oery	oejd			
31-Jan-81	oejd	oery			
02-Feb-81	riad	edds			
02-Feb-81	edds	eghh		1plus45	
05-Feb-81	eghw	nyc	no nos	7plus5	laker1300?
05-Feb-81	NYC	denver	no nos	3plus15	
19-Feb-81	Denver	aspen	CR-AAM/111-400		
19-Feb-81	Aspen	Vegas	CR-AAM/111-400		
20-Feb-81	Vegas/Aspe	Denver	CR-AAM/111-400		
02-Mar-81	Denver	Dulles	no nos	3plus0	
04-Mar-81	DCA	eggw	no nos	6plus15	
05-Mar-81	eggw	abudbi	no nos	6plus30	
06-Mar-81	abudbi	oejd	no nos		
10-Mar-81	oejd	oeri	HZ-MOI/111-200	1on1	
11-Mar-81	oeri	heca	no nos		
13-Mar-81	heca	lgkr	HZ-MOI/111-200		
13-Mar-81	lggk	lfpb			
16-Mar-81	lfbp	heca		4plus50	
17-Mar-81	heca	oery			
26-Mar-81	oery	olbi		2plus25	
26-Mar-81	olbi	edds		4plus45	
27-Mar-81	edds	eghh			
no	further	entries			
*	Identifiers				

App. 0699

Harry Rupp
ircraft Logs From 16 June 1980 through March 1980

Date	From	To	Aircraft No/Type	Time	Remarks
EDDS	Stuttgart		West Germany		
EGGH	Bournemouth		England		
EGGW	Lutton		England		
HECA	Cairo		Egypt		
LFPB	Paris		Le Bourget		
LFPD	Bernay		St. Martin		
LGAT	Athens		Greece		
LGKR	Kerkira		Greece		
OEJD	Jeddah		Saudi Arabia		
OERY	Riyadh		Saudi Arabia		
EGHU					
CYQX					
EGHW					
OERI					

App. 0700

YOUR SENT/RECEIVED MSG COUNT FOR 10-14 -80

C1IUV 000 MSGS SENT
C1BUV 001 MSGS RECEIVED

:150051
C1BUV 001

QU BURDDZJ
.HOUDDZJ 151927

ATTN CAPT QUALLS / DISPATCH
CAPT HARRY RUPP OF O AND A INTL WILL BE COMING IN SHORTLY LOOKING FOR A FLIGHT PLAN FROM US. WHEN HE GETS THERE PLEASE ASK HIM TO CALL ME.
THANKS
DENNIS BOWLIN

151933
IBUV 002

QU BURDDZJ
.PADXSZJ 152032 PADLMCR

.PLZ HOLD FOR PICKUP. DO NOT DESTROY.
PLAN 140 TRAK,CV580, .PASY TO RJCK CV58 LRC/F IFR 10/15/80
NONSTOP COMPUTED 1918Z FOR ETD 0000Z PROGS 150000Z

App. 0701

670

Guard/Receptionist on duty

VISITORS LOG #12

15 October 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Bob Horn	Bob Horn	3rd	Rusty Miller	263	613	
G.H. LAWRENCE	H G Lawrence	3rd	BILL TIMMONS	257	615	703
Adeline Borgquist	Adeline Borgquist	2nd	D. BORGQUIST	210	625	735
B L LAPAGLIA	Betty for Lapaglia	VOL.	B. FITZPATRICK	209	629	/
K. Baldwin	K Baldwin	3rd			645	
Frances Deatherage	Frances Deatherage		Rick Rykema	—	651	
L Hawksley	Lois Hawksley	VOL	Carolyn Bare	50	646	
~~James Buford~~						
Arthur Teele	James Buford	3RD	Arthur Teele	237	655	7:00
STEVE VIERECK	Stephen D. Vierregg	3RD	JERRY CARMAN	275	705	
E Thompson	E Thompson		Janitor	150	7:22	11:11
King	Lloyd R King	Strategy	Greg King	264	7:28	7:45
Peter Casey	Peter L Casey	WJ Casey		269	7:30	
George L Casey	George L Casey	"		257	730	7
[illegible]	[illegible]	KEITH ADKINSON		214	727	
[illegible]	[illegible]	G		244	727	
[illegible]	[illegible]	Campaign 80				

3729 017094 11002 002500

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

LE LION D'OR
CONNECTICUT AVE 110380
WASHINGTON DC
4081008187 Date of Charge

Establishment agrees to transmit to American Express Company (Amexco) all Authorized Representative for payment. Merchandise and/or service purchased on this card shall not be resold or returned for cash refund.

Cardmember Signature

Invoice Number

Approval Code
Check or Bill No
Any delayed charges are listed below
Merchandise/Services 1825
Taxes 146
Tips/Misc
Total 22 71
Type of Delayed Chg
Amt. of Delayed Chg.
Revised Total
Amexco Use Only
Equivalent Amount

Amexco Copy

00 314888

10/15/80

Jockey Club WASH, D.C.

3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

[redacted] CLUB
01 [redacted] WASH 10 15 80
4081080087 DC Date of Charge

William J Casey

Taxes 17 01
3 90
Total 20 91

Amexco Copy

00 729899

10/15/80

Jockey Club, Wash DC.

3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

[redacted] CLUB
01 [redacted] WASH 10 15 80
4081080087 DC Date of Charge

William J Casey

Taxes 96 00
7 68
15 00
Total 118 68

Amexco Copy

00 729901

App. 0703

[redacted]

[redacted]

1973

ditions)

rea until mid-afternoon.

all

ing en route to Philadelphia
and spends the night.

route to Akron, Ohio

e City, IL by way of St. Louis,
ield, MI, for campaign events

souri in mid-afternoon for a

rter departs for Los Angeles

Portland, OR - campaign event

ttle, WA - campaign event

rter leaves Seattle and arrives
in Plains, GA where he will vote.

avels back to Washington, DC

x x

Reagan & Bush D-266

Reagan Bush Committee

[redacted]

MEMORANDUM TO: ED MEESE
ELIZABETH DOLE
BOB GARRICK

October 16, 1980

FROM: Bill Casey

I have information on which I place some credence that Carter is likely, while visiting Texas next week, to offer some relief to small royalty owners under the windfall profits tax. Small land owners receiving royalty checks are outraged at finding themselves subject to windfall profits tax. It would be a pity if Carter were permitted to escape the onus of this after the Governor has been taking a lead in opposing the windfall profit tax. We must get some statement together to preempt this by the end of the week. Liz Dole issued the attached memo on this a while ago.

Someone should call Bill Gifford, who can be reached at the Bechtel office in Washington -- 393-4747 -- or at his home 703/370-6722. Relief possibilities are being worked on in the Treasury for Carter and Gifford may be able to provide some information on this. In dealing with him do not ask about the source of his information or talk about the Treasury, but say that George Shultz has told me that he has some important information on this issue. Also, someone should talk to Congressman Bill Archer, who is the key guy in Congress seeking to protect the interests of these small royalty holders.

W. J. C.

[redacted]

App. 0704

62 366 1312

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

western union Mailgram

4-010682S290002 10/16/80 ICS IPMMTZZ CSP FCHB
SUSPECTED DUPLICATE
1 7036853440 MGM TDMT ARLINGTON VA 10-16 1007A EST

REAGAN-BUSH COMMITTEE M COSTELLO
901 SOUTH HIGHLAND ST
ARLINGTON VA 22204

THIS MAILDRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

7036853440 TDMT ARLINGTON VA 313 10-16 1007A EST
PMS ROBERT STRAUSS CAMPAIGN DIRECTOR, CARE CARTER-MONDALE COMMITTDE
RPT DLY MGM, DLR
2000 L ST NORTHWEST
WASHINGTON DC

GOVERNOR REAGAN HAS AUTHORIZED ME TO SEND YOU THE FOLLOWING TELEGRAM "GOVERNOR REAGAN SHARES YOUR DESIRE THAT THE DECISION WHICH WILL FACE THE AMERICAN PEOPLE ON 11-4 BE BASED ON A CLEAR UNDERSTANDING OF THE ISSUES AND THE DIFFERENCES OF CANDIDATES ON THOSE ISSUES. IT IS FOR PRECISELY THESE REASONS GOVERNOR REAGAN HAS ENGAGED IN 6 PUBLIC DE@ATES DURING THE COURSE OF THIS CAMPAIGN. AGAIN, IT IS FOR THESE REASONS GOVERNOR REAGAN WAS DISMAYED LAST SPRING WHEN PRESIDENT CARTER PROMISED TO DEBATE TED KENNEDY, THEN BROKE THAT PROMISE. AGAIN LAST SUMMER MR CARTDR PROMISED TO DEBATE JOHN ANDERSON, THEN BROKE THAT PROMISE. IT IS EXACTLY FOR THESE REASONS GOVERNOR REAGAN REGRETTED MR CARTDR'S REFUSAL TO PARTICIPATD IN THE DEBATE SPONSORED BY THE LEAGUE OF WOMEN VOTERS ON 9-21.

GOVERNOR REAGAN DOES INDEED BELIEVE CANDIDATES FOR THE NATION'S HIGHEST OFFICE OWE THE VOTERS THE OPPORTUNITY TO COMPARE THEIR POSITIONS IN PUBLIC DEBATE. WHEN, IN MR CARTER'S ABSENCE HE DEBATED CONGRESSMAN JOHN ANDERSON, THEIR SIGNIFICANT DIFFERENCES ON SEVERAL SUBJECTS CLEARLY EMERGED.

THE ULTIMATE IMPACT OF CONGRESSMAN ANDERSON'S CANDIDACY MAY BE OPEN TO QUESTION. GOVERNOR REAGAN BELIEVES THERE CAN BE NO QUESTION, HOWEVER, AS TO MR ANDERSON'S RIGHT TO CONTINUE HIS QUEST. THE GOVERNOR BELIEVES THE CARTER CAMPAIGN'S CONTINUING EFFORTS TO SQUEEZE OUT OF THE RACE A MAN WHO, ACCORDING TO THE POLLS, IS THE CANDIDATD OF CHOICE BY MILLIONS OF AMERICANS ARE UNFAIR AND UNDEMOCRATIC. IN SHORT, GOVERNOR REAGAN FINDS THEM AN ATTEMPT TO UNDERMINE THE VERY FABRIC OF THE ELECTIVE PROCESS.

App. 0705

TO REPLY BY MAILGRAM. SEE REVERSE SIDE FOR WESTERN UNION'S TOLL FREE PHONE NUMBERS

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

western union Mailgram

1-015339A290 10/16/80 ICS IPMWBWB WSH FCHC
03056 MGM RBWASHINGTON DC 50 10-16 256P EDT

WILLIAM J CASEY
901 SOUTH HIGHLAND ST
ARLINGTON VA 22204

YOUR TELEGRAM OF OCT 16 TO ROBERT STRAUSS CAMPAIGN 2000 L ST NW
WAS DELIVERED 230 OCT 16 1980
THANK YOU FOR USING OUR SERVICE
WESTERN UNION

1409 EST

MGMCOMP MGM

App. 0706

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

western union Mailgram

4-011077S290002 10/16/80 ICS IPMMIZZ CSP FCHC
1 7036853440 MGM TDMT ARLINGTON VA 10-16 1011A EST

REAGAN-BUSH COMMITTEE M COSTELLO
901 SOUTH HIGHLAND ST
ARLINGTON VA 22204

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

7036853440 TDMT ARLINGTON VA 51 10-16 1011A EST
PMS WILLIAM W BODINE JUNIOR PRESIDENT, CARE WORLD AFFAIRS COUNCIL OF
PHILADELPHIA RPT DLY MGM, DLR
13 AND MARKET STS
PHILADELPHIA PA 19107

CONFIRMING OUR TELEPHONE CONVERSATION GOVERNOR REAGAN WILL BE PLEASED TO ACCEPT INVITATION FOR DEBATE WITH PRESIDENT CARTER AND JOHN ANDERSON IN PHILADELPHIA UNDER THE AUSPICES OF THE WORLD AFFAIRS COUNCIL. SPECIFIC DATE AND ARRANGEMENTS WOULD HAVE TO BE WORKED OUT BETWEEN OUR REPRESENTATIVE AND REPRESENTATIVES OF PRESIDENT CARTER AND CONGRESSMAN ANDERSON.
WILLIAM J CASEY
901 SOUTH HIGHLAND ST
ARLINGTON VA 22204

1014 EST

MGMCOMP MGM

App. 0707

SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

676

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#4

16 octobre 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
JAN Johnson	Jan Johnson	Bush	Jennifer Fitzgerald	270	10:50	11:20
BEN NATAN	Ben Natan		Flott Press	~~275~~	11:00	12:05
Jochen Schmitt	Joch Schmitt		Flott Press	~~250~~	11:00	12:05
RAMSTOCK			Flott Press	~~269~~	11:00	12:05
F TIMM			Flott Press	~~231~~	11:00	12:05
UCLA Tri Univ		3 floor			[illegible]	[illegible]
BLAND KEITH						
Bland Keith	Bland Keith	Buchanan		209	11:01	12:20
H. Keith	H. Keith	"		208	11:01	12:20
J. Pace	Jacqueline Pace	Balzano		264	11:05	11:25
J.P Caudill	J.P. Caudill	Buchanan	Treasury	235	11:15	[illegible]
ALFONSO SISTRUNK	Alfonso Sistrunk	Compliance				
UNGER		Fitness	Bush Scheduling	235	11:25	12:00
Robert Cizek		MacKay	Casey	66	11:35	
E Wallace	E. Wallace	3rd Fl DOL			11:33	11:50
Karen Alderman	Karen Alderman	Treasury	Buchanan	250	11:40	12:00
Arthur LaMagna	Arthur LaMagna	* 8	Mary Davidson		11:30	11:55
David Seely		4th Floor Copies	Mark Ashworth		11:55	12:15
Emma Vento	Emma Vento	HISPANICS			12:00	

App. 0708

Kathy Ahern — VISITORS LOG — #7 — 10-16-80

Guard/Receptionist on duty — Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
ARPAD de KOVALLY	Arpad de Kovally		BUSCEMI	274	3 [illegible]	5:20
Elizabeth T Young	Elizabeth T. Young	4TH	JUSTINE MARKS	175	3[illegible]	3:05
	Mary Beth	Blue		175	3:07	3:10
LES ZAUN	Les Zaun	2nd floor FLR	BURROUGHS		3:15	3:17
G. J. [illegible]	[illegible]	WEESE	WEESE	175	3:[illegible]	
JIM WHITE	[illegible]	R. Wing		235	3:15	
JAKIN HOLT	[illegible]	Casey's	Barbara Hayward	275	3:20	3:25
Kathy KEENE	Kathy Keene	Crespin		257	3:21	
Judith Alexander	Judith Alexander	Hispanic	Alex Armendaris	270	3:30	
Kevin M Boyle	Kevin M Boyle	Watermark	Shirley Wright	263	3:38	
William P. Pendley	[illegible]	Eastman	3rd Floor Reception	270	1542	
LES TIPPETTS	[illegible]	Athletics	Tom Williams	238	3:45	
HUNTER HURST	[illegible]	PRESS		254	3:50	
F.L. WISH	F.L. WISH	Pick-up	Babe Turnbull		4:00	10:15
Audrey Autry	Audrey Autry	Lee Trixler		[illegible]	4:[illegible]	
Joan Keefe	Joan Keefe	Stanley Green	App. 0709	247	4:07	
	A. FALKAS	UPS		415		
[illegible]		Meese	RB Carleson	244	4:45	5:45

677

678

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG #8

10 October 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
C. Wilkins	DEC				4:25	4:25
Jack Kalamchuk	Jack Kalamchuk	Radio Activ	Lee Atwater	255	4:20	
Jon RIPPA	Jon [illegible]	Bob Krause		268	4:30	
Muriel Loopstra	Muriel Loopstra	Sodwick	Guest	183	4:40	5:00
[illegible]	S P ZAHOTAS	Nat		274	4:45	
R.F. Cahill	R.F. Cahill		Shirley Green	270	4:55	5:2[illegible]
Cheryl Redmill	C. Redmillan	Paul Russo	Work Lea		4:55	
[illegible]	[illegible]		Pollard		4:5[illegible]	5:[illegible]
[illegible]	[illegible]	Janitor	Assistant		1[illegible]	
N Wright	[illegible]	Janitor	[illegible]		1[illegible]	
[illegible]	John Vorperian	HERITAGE	Shirley Wright	245	5:10	5:40
Patrick Geary	[illegible]	[illegible]		209		5:30
[illegible]						5:[illegible]
Richard Peterson	Richard Peterson	BUSINESS	Mollie Miller	235	5:15	
JACKIE TILLMAN	Jackie Tillman	Casey	Casey	233 5:30	5:24	6:00
[illegible]	B Fermoinella	KODEL	App. 0710	252	5:40	
B C HASEN	[illegible]	Archivard	D for Reagan	254	5:35	
[illegible]	[illegible]	"	D for Reagan	164	5:35	

LAST MONTH

SEPTEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

1980 OCTOBER 1980

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NEXT MONTH

NOVEMBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

THUR. 16 OCT.

9 - Medea

3 o Dan McGarvey

Al Smith Dinner

DAY OF THE YEAR
290 -

THURSDAY, OCTOBER 16

DAYS REMAINING
- 76

App. 0711

Reagan & Bush

Reagan Bush Committee
901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

October 16, 1980

Monsignor John Ruvo
Alfred E. Smith Foundation
1011 First Avenue
New York, N.Y. 10022

1000 —

Dear Monsignor Ruvo:

I appreciate your arranging five seats for me at the dinner tonight and I enclose a contribution to the Alfred E. Smith Foundation.

Yours,

William J. Casey
Campaign Director

10/31/80
Donation

The Alfred E. Smith Memorial Foundation, Inc.

[illegible] First Avenue • New York, N.Y. [illegible]

371-1000

DAIS LIST --- 1980 ---

His Eminence Terence Cardinal Cooke — ✓ — in Rome

Archbishop John J. Maguire • ✓ —

✓X Robert H. Abplanalp • ACCEPTANCE 10/6 —
X Mrs. Robert H. Abplanalp - A&D •

✓X Hon Robert Abrams • ✓ ACCEPTANCE 10/6 —

✓ Hon. Giulio Andreotti • DEC/WITH DGN.

✓ Hon. Walter H. Annenberg • ✓ ACCEPTANCE
Mrs. Walter H. Annenberg - A&D • ACCEPTANCE

X Mrs. Vincent Astor • ACCEPTANCE 10/6 —

X Hon. Herman Badillo • ✓ ACCEPTANCE — 787-4000 ACCEPTS

✓X David G. Baird • DECLINED 10/6 DECLINATION

X Joseph F. Barletta • ✓ ACCEPTANCE
X Mrs. Joseph F. Barletta - A&D • ACCEPTANCE — 944-[illegible]

Hon. Jorge L. Batista • ✓ ——— ACCEPTS 10/6 —

X Hon. Abraham D. Beame • ✓ ACCEPTANCE —
Mrs. Abraham D. Beame - A&D • ✓ ACCEPTANCE ACCEPTS 10/7

~~Hon. Carol Bellamy 9-25-80 [illegible]~~ —

X Frank A. Bennack, Jr. • ✓ ACCEPTS 262-7494

~~Rear Adm. John J. Bergen USNR • DECLINATION Died 1981~~

X Hon. Mario Biaggi • ✓ ACCEPTANCE 10-9-80

X Mrs. Elmer Bobst • ✓ ACCEPTANCE To [illegible]

William F. Buckley, Jr. • DEC/WITH DGN. OUT OF COUNTRY

X C. Henry Buhl, III • ✓ ACCEPTANCE ACCEPTS 10/6
Mrs. C. Henry Buhl, III - A&D • ✓ ACCEPTANCE

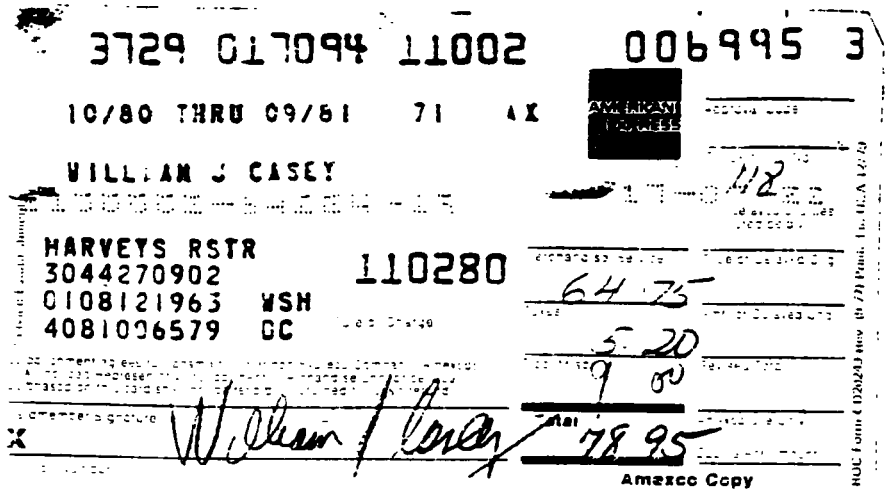
John S. Burke, Jr. • X [illegible]

X Hon. Brendan T. Byrne • ACCEPTANCE ACCEPTS 10/6
X Mrs. Brendan T. Byrne - A&D • ACCEPTANCE

X Hon. Hugh L. Carey • ACCEPTS 10/6 —
~~Beauchamp & Mrs. Carter~~

X Hon. Blanca Cedeno • ✓ ACCEPTANCE ACCEPTS 10/7

App. 0713


3729 017094 11002 006995 3

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

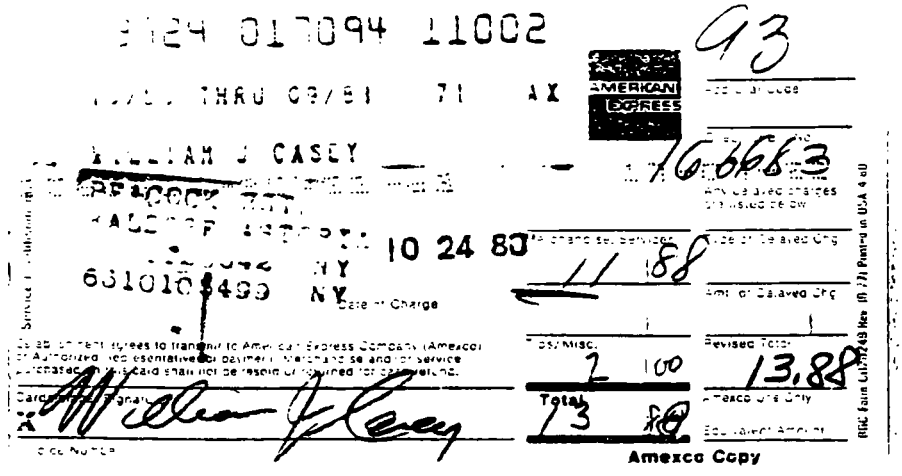
HARVEYS RSTR
3044270902
0108121963 WSH
4081096579 GC

110280

64 75
5 20
9 00
Total 78 95

Amexco Copy

00 993177


3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

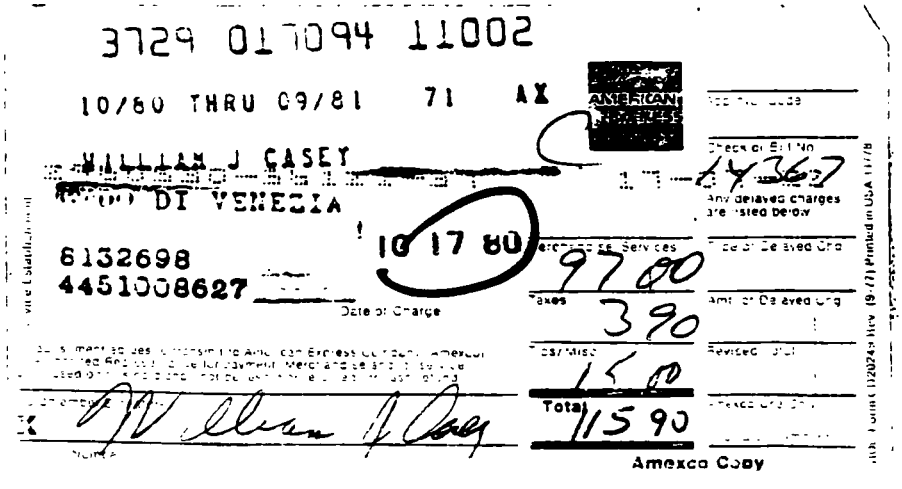
PEACOCK INN
RALEIGH AIRPORT
631010[illegible] NY

10 24 80

93
16663
11 88
1 00
Total 13 88

Amexco Copy

00 929478


3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

DI VENEZIA

6132698
4451008627

10 17 80

14367
97 80
3 90
1 50
Total 15 90

Amexco Copy

00 433783

L100 DE VENEZIA Arl, Va.

App. 0714

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#1 33 395

18 octaber 90
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
J.C. Vance	J Vance	OPNS		820		
A. Ahern	Ahern	Rick	Rick Miller	8 33	347	10
W J. Hollins		Trainee		7:15		
Eric Alberson	Eric E Munroe	Prof Management	Paul Mansfield	9:20		
P McNeely	Mac McNeely	CMSY	CMSY	270	7:30	
Audrey Autry	Audrey Autry	Lee Traxler		215	7:30	
Margy Young	Margaret Young	Lee Traxler		223	7:30	12:17
Kim Young	Kim Young	Lee Traxler		227	7:30	12:15
James Prindle	M.A. Bidwell	KODell	M.A. Bidwell	24	10:00	
David Evans	John Eckle	John Eckle	[illegible]	119	10:00	1750
Linda Hill	L. Hill		LINDA BAKER	232	10:00	
Fred D. Fore			LAFLORE		1:-	
AJ DeLinsky	[illegible]	Mgmt	[illegible]	408	10:0[illegible]	
John Langel	John Langel	Comm	Susan		10Am	11:00A
Michael Nevad	[illegible]	Baker	KATHY Camalier	250	10:10	
Tim R Hulcher	Tim R Hulcher	Baker	" "	271	10:10	12:05
Nell Jackson	Nell Jackson	Res. Library	M. Hulbridge	208	10:15	1755
[illegible]	C R OFFICE			325	12:5	1:46

App. 0715

683

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

18 October 80
#2 38 396
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
JOHN CHANCELLOR	John Chancellor	DR. WIRTHLIN	DR. WIRTHLIN	Press	10:15	
G R W Kate	J B White	F C White	F C White	245	10:20	10:55
D Ivan	Gilbert	Research	Dan Olson	273	11:25	1:45
Fr. [illegible]	Room 323	Catholics	Dr [illegible] HORE	183	10:25	12:45
Mason Esq	[illegible]	Cong Liaison		257	10:30	
MARK TOUREK	Mark Tourek	Mollie Miller	Robert C Tourek	214	10:30	3:00
Lilyan Sobel	Lilyan Sobel	[illegible]	Louise Brunsdale	136	10:32	
Pauline Burden	Pauline Burden	National Affairs	Dick Burger	50	10:35	
John Haverstock	John Haverstock	Compliance	John Eckels	250	10:35	
Vickers Bryan	Vickers Bryan	"			10:35	
BARBARA COOK	Barbara Cook	advance	ADVANCE		10:40	
C LEHMAN	[illegible]					
DR. DAVID OLCH	David Olch	Professionals	N330 TOM LIAS	259	1:00	
RITH WALLACE	Ruth Wallace	Nominations	Angela Rucks	77	11:00	
[illegible]	[illegible]	Computer	Kelly Ingram	203	11:00	30
[illegible]	[illegible]	Computer	Kelly Ingram	227	11:00	1:
[illegible]	Judy MacMunn	Computer	Kelly Ingram	47	11:00	1:4
[illegible]	[illegible]		Maureen Keegan	254	11:00	

App. 0716

684

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

18 october 80
Date

#3 38 397

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
[illegible]	JD Anderson	P&L	Anderson		11:20	11:35
JD Anderson	JD Anderson	P&L	" "	232		11:35
Beverly Candle	Beverly Candle	Art Burke	[illegible]	11:25		
[illegible]	[illegible]	O'Hanlon	[illegible]	11:25		26 J
[illegible]	[illegible]	personnel	Scott Galloway	240	11:37	1:30
[illegible]	[illegible]	"	"	244	11:30	11:55
Western Union		3 floor			11:32	11:51
[illegible]	Fermin Hernandez	Hispanic	DONNA	258	11:35	
Tracy Corbin		Handicapped	Marriage Comm	266	11:46	12:55
Jamie Conn		"	"	263	11:46	12:18
George Casey	George F. Casey	Bill Casey	Casey	257	11:50	12:25
Rita Casey	Rita Casey	" "	Casey	262	11:50	2:25
Edward Davis	Defiore	Press	Flemming		11:50	1:55
James H Ewing	James H Ewing	OPI	Wolfe		12-	
William Hill	[illegible]	San Affairs		266	12:00	1:40
Ken Crabb	[illegible]	Legal			noon	1:15
Tom Cranmer	[illegible]	Chrysler	CRUTCHER	145	12:00	

685

App. 0717

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#4 38 39 Date 18 October 88

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
I. Linares		Hispanics	H. Zuniga 3270	201	12:10	
GB White	GB White	Clay White		251	12:10	1:00
Nancy Hobbs	Nancy Hobbs	Secretary for Reagan	Beth Bu	247	12:20	
Cristy Valentine	Cristy Valentine	SCHEDULING	Greg Newell	266	12:20	
Patt Sellers			Bill Bu	223	12:20	
R. Franchi		Hispanic		257	12:30	
M. Piedra		"		210	12:30	
Dana Spence	Dana Spence	Answer Desk	BOB MOSS	265	12:30	12:50
Aileen Hauer	AILEEN HAUER	Elaine Crispen		258	12:40	
D. Lyman		~~Coalition~~	LORI POSIN-SANGER	144	12:40	2:30
Lyman				253	12:45	1:01
Heidi Hansen		Research				
BA Fenn, ndb		ODell	KAY ODELL	199	12:45	
A. Stockman	Anita Stockman	ADVANCE	P. KUZMICH	183	12:50	1:30
Boehlinger				251		
Karen Brown	Karen Brown	Vice Chief	John Collins	175	1:00	1:30
Elaine Clark	Elaine Clark	Personnel Liaison	Lucy GRITZMACHER	201	1:05	1:30
Tim Mullins		Public Liaison	Jim Wallis	85	1:30	4:15
"		"	"	261	1:30	3:50

App. 0718

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#5 33 399

18 October 90
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Chew		Political	Anderson	241	1:10	3:15
[illegible]		"	[illegible]	264	1:15	1500
[illegible]		"	"	234	1:15	1500
[illegible]	[illegible]	Finance	KEEGAN	246	1:15	
[illegible]	[illegible]	Finance	"	219	1:15	
[illegible]	[illegible]	Admin	Cave	274	1:15	1:55
[illegible]	[illegible]	Cashier		190	1:20	1:60
[illegible]	[illegible]		DONNA HOWARTH	231	1:15	
MARC MORANO	[illegible]	compliance	John Eadie	66	1:30	4:15
[illegible]	[illegible]	Finance	TOM Karalogos	244	1:25	2:00
[illegible]	[illegible]	Commerce	Bob [illegible]	242	1:30	1740
Diane Spence	[illegible]	Answer Desk	Bob Moss	53	1:35	2:10
[illegible]	[illegible]	Research	MORGAN	248	1:40	2:10
[illegible]	[illegible]	Pol.	Baker	182	1:45	
KEENE	[illegible]		Elaine Crispen	266	2:00	
ANN KORALOGOS	[illegible]	Finance	KORALOGOS	271	2:00	
Paula Korologos	[illegible]	Finance	"	240	2:00	
[illegible]	Jay Koralogos	Finance	"	273	2:00	

App. 0719

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#6 38 400

18 October 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Glenn R. Huffman	Glenn R. Huffman	Volunteers	Democrats for Reagan	244	2:02	
STEPHEN J. KAUFMAN	[illegible]	Volunteers	"	174	2:05	17[illegible]
Marci Fox	[illegible]	Tranmore	"	145	2:10	2:20
BARTLETT	[illegible]	Mondale	[illegible]	33	225	
Gail Ledwig	Gail Ledwig	Volunteers	Louise Brunschwig	265	1430	1[illegible]
David Ledwig	David Ledwig	"	" "	245	1430	1[illegible]
Don Ledwig	[illegible]	"	" "	271	1430	1[illegible]
Brooke O'Day	Brooke O'Day	"	" "	144	1430	1[illegible]
Sally O'Day	Sally W. O'Day	"	" "	275	1430	1[illegible]
[illegible]	[illegible]	TELETYPE	UPI / [illegible]		1440	
~~Diane Bartlett~~	—					
[illegible] Coleman	[illegible] Coleman	Louisiana	[illegible]	248	1450	
[illegible]	[illegible]	Louisiana	[illegible]	251	1451	
Richard Lugar	Farm + Food Dir	Volers Grp.		226	1456	
Peggy Wilson	PEGGY WILSON	Dolly Celeste Heritage		144	3:00	
[illegible] Morgenstern	[illegible] Morgenstern	Advance		214	3:11	
[illegible]	[illegible]		[illegible]	265	4:10	4:25

App. 0720

688

Kathy Aleson
Guard/Receptionist on duty

VISITORS LOG

#7 33 401

18 October 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Ernest S Johnston	Ernest S Johnston	Baker	CATHY CAMALIER	271	3:10	
Nancy Johnston	Nancy Johnston	Baker	" "	264	3:10	
BARBARA COOK		ADVANCE	ADVANCE		3:10	
Ricardo C. Martinez	Ricardo C. Martinez	Hispanics	Mr. Rafael Franchi	190	310	
Joan Bowers	Joan B Bowers	O'Dell	Ruth Warner	259	3:15	3:35
Linland Finney	[illegible]	O'Dell	Ruth Warner	59	3:15	3:35
Erma Hernandez	[illegible]	Hispanic	[illegible]	245	3:20	
Isaac Olivares	[illegible]	"	"	275	3:20	
Alice Aimada	[illegible]	Hispn	"	[illegible]	3:20	
Donald Argandona	[illegible]	DFRB			3:30	
HADLEY ARKES	[illegible]	Press	Dolan	[illegible]	[illegible]	[illegible]
Mike Fitzsimmons	[illegible]	Press	Treasber	250	3 3	M[illegible]
AJ DeYoung	[illegible]	Vol	Jim WHITE (Lynn G)	271	4:[illegible]	[illegible]
Carol Workman	[illegible]	Hispanics	WORKMAN	264	4:05	
David Kirkman	[illegible]	Compliance	John Eckels	265	4:10	

689

App. 0721

O. Brown / Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#8 38 402

18 October 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
[illegible]	[illegible]	myself	Paul		4:30	
[illegible]	[illegible]	[illegible]		232	5:00	
V. Bryan	Vickers Bryan	Finance			5:00	
ED PINTO	Ed Pinto	CANDY Chief	PAUL RUSSO	244		18[13]
Kay	[illegible]	Secretary	—	47	5[13]	18[09]
Douglas Hart	Douglas Hart	Pres		174	5[22]	17[23]
KAREN KEESLING	Karen Keesling	Research	Fairbanks	174	5:30	18[00]
ROBT WILSON	[illegible]	Plans & Prog	Hart K. Stevenson	209	6:[illegible]	18[30]
V BRYAN	V Bryan	" "				[illegible]
[illegible]	[illegible]	Compliance		22	[illegible]	
MARK ALLEN	Mark L. Allen	Bonus Program		47	7:[illegible]	7[00]
H.R. WILSON	H.R. Wilson	Plans & Prog	Hart K. Stevenson	47	7:45	
WALT PARKER	Walter W Parker	3rd Floor	Deanagan Morgan	263	7:41	
		Secured Visitor Log at 20:00				
			R Brown 18 OCT 80			

App. 0722

690

R. BROWN
Guard/Receptionist on duty

SECURITY LOG
ALL PERSONNEL BETWEEN
2000 & 0600

#9

33 403

18 OCT 80
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
ROGER WHITE	Roger L. White	V.P.			2002	824
KAREN Abbott	Karen G. Abbott	V.G.				8:05
M Bradley	M Bradley					8:09
SALLY SPIERS	Sally Spiers	Pol. Opn.				
Thos Williams	Thos Williams	Athletes				2009
Ken Sleffer	Ken Sleffer	Admin			8:09	
Walt Parker	Walt Parker	Admin			8:09	
LoAnne Wagner	LoAnne Wagner	Gray				8:10
Nina C. Wagner		Advance			8:10	8:30
JAY DeYOUNG		Farmers	buying			8:15
JIM WHITE		Farmers	buying			8:15
Bill Anderson	Bill Anderson	Opn			2000	
Thom McCall	Thom McCall	Advance		—	0020	
Nina						
Alix Reed	Alix Reed	Press				8:2
McWich		Research	myself			8:2
Jim Wheaton		Room				7:

App. 0723

691

62-366 0 - 93 - 23

R. BROWN
Guard/Receptionist on duty

ALL PERSONNEL BETWEEN 2000 & 0600 / # 10

10 OCT 00
Date

38 404

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
BARBARA HAVERCAMP	Barbara Havercamp	Research				8:33
Yoda, Jr.	Yoda, Jr.	Pagemas	Luke Skywalker			8:33
[illegible]	[illegible]	Reseach			8:34	8:35
MARY ANN BARON	Mary Ann Baron	Tour - Finance				8:35
R Dykema	R Dykema	Voter Groups				8:40
Nina Warmser	Nina Warmser	Advance			8:50	9:31
Tom McCully	Tom McCully	Advance			8:50	9:31
Tam Snodgrass	[illegible]	Press			9:06	9:30
John Roberts	[illegible]	Pers			9:07	9:30
T.D. Casey	Thomas D Casey	Ad.				9:24
C Robison	Churchill Robinson	Ad.			9:30	9:30
	[illegible]	VP Sch			9:40	
	Joanne Bistany	Trainee			9:45	
	M Bashuum	V-Psched.			10:15	
Garrick		Research			10:20	

App. 0724

692

R. Brown
Guard/Receptionist on duty

ALL PERSONNEL BETWEEN ~~VISITORS LOG~~ #11
2000 & 0600

18 OCT 00
Date

38 405

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Alden Lang.		Amb. Bush			10:3[illegible]	[illegible]
JOHN TOBIN		Ops.	Ops.		1039	1101
LYNN WOODS						11:15
Julie Cave	J. Cave	admin	—		11:10	11:15
N J Levy		Ops	Ops		11 x	11 x
			Ops		11:30	
Carla Rother	Carla Rother	Schedul.			11:40	
Greg Morris		Ops			11:58	
Connie Horner		Ops			12:[illegible]	

693

App. 0725

WEILER
Guard/Receptionist on duty

STAFF AND VOLUNTEERS

33 406 10/18/88
Date MIDS

MIDNIGHT LOG / PROPER LOG SUPPLY -OUT

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
M T Smith	M T Smith	Op Ctr	OPERATIONS ✓		2405	MIDS
J.D. Dowell	JD Dowell	op ctr	OPERATIONS ✓		2110	MIDS
Warren Montgomery	Warren Montgomery	Op Ctr	OPERATIONS	X	12:50	2400 MIDS
M B Ashmun	Mary B Ashmun	V. Psdnt.		X	1225	→1225
[illegible]	[illegible]	Ops	EVENING OPERATIONS	X	—	[illegible]
M. SPEAR	M. Spear	Ops	EVENING OPERATIONS	X	—	1230
Fran Weatherage	FRAN WEATHERAGE	VOTER GROUPS		X	—	1230
J. KORMANN	[illegible]	OPS	EVENING OPERATIONS	X	—	1230
S. Summerall	S Summerall	Sched		X	—	12:15
G Newell	G Newell	"		X	—	11:20
L. Dougherty	Linda Dougherty	Press	FOUND 4TH FLOOR	X	10M	210
Greg Mocas	Greg Mocas	Ops	OPERATIONS ✓		12:00	MIDS
Connie Horner	Connie Horner	Ops	OPERATIONS ✓ PHOTO		12:00	MIDS
M H Smith	M. H. Smith	1.00	STAFF - PIV	X	125	3PM
WEINBERG	[illegible]	STAFF	STAFF PIV	X	125	215
DAVIS	Michele David	Press	PRESS	X	1:05	2:10
C. Robison	Churchill Robinson	Admin	ADMINISTRATION	X	1:05	2:00

App. 0726

694

WEILER
Guard/Receptionist on duty

STAFF AND VOLUNTEERS
MIDNIGHTS 406

33 407

10/18/85
Date

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
MARK ALLEN	Mark Allen Bobby Hamilton	DRIVERS	MARK ALLEN	X	210	2:15
Bob Hanson	STAFF PASS	DRIVERS	DRIVERS	X	210	2:15

695

App. 0727

OCTOBER 1980

Sunday	Monday	Tuesday	Wednesday
			1 275 LITCO Comm. Mtg 12-2:00 Long Island HSBC of Fame 5:00 Edmunds Club Reception
5 279	6 280 9:00 Action Committee 12:00 Dr Kilbourne 2:00 Burnett et al 3:00 Coors et al	7 281 Chairman's Meeting 2:30 Ms. Buck + June Wilhelm 5:30 David Martin	8 282 Anne Armstrong
12 Columbus Day 286	13 Columbus Day - Observed Thanksgiving Day (Canada) 287 9:00 Chairman's Meeting 2:30 Mr Lamie 3:00 Rep. Daugherty Mr Maloney - Senate National NY 7:00 pm	14 288 10:30 David Chase 3:30 Verne + Ray 4:00 Bob Gray 5-7 Winston Strategy Mtg 7:00 Bill Middendorf	15 LITCO B/D Mtg + Exec. Com. Mtg Campaign '80
19 293	20 294 8:00 Metropolitan Club 10. Cincinatti 4:30 Campaign 80	21 295	22 296
26 300	27 301	28 302	29 303 11:00 LITCO Exec. Com Mtg ETTO B/D Meeting 11614 HSC, NW 7:00 Dinner (for Frank Burnett) Kind Words Rob.

App. 0728

10/13/80

OCTOBER 1980

GOVERNOR RONALD REAGAN
PROPOSED AND TENTATIVE

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	CONFIDENTIAL		1	2	3	4
5	6	7	8	9	10	11
12	13 Bus/Helo Tour Pomona Seal Beach Fountain Valley Riverside Van Nuys ON: PACIFIC PALISADES	14 9:00 Press Conf. NR To: Idaho Falls 1:00 Steve Symms Evt Sioux Falls 6pm reception/7 pm B. Walters taping 8pm Rally ON: SIOUX FALLS Holiday Inn	15 TO: Lima, Ohio NR 12:00 Town Square 2:00 Reagan Report Akron/Canton arpt. Rally/fundraiser Print Labor/Comm Evt TO: Detroit ON: DEARBORN, MICH. Hyatt	16 Oakland County 1:00 pm B'ham Rally w/Ford, Bush, Milliken TO: New York City NR 6:15 Al Smith recept. 7:30 Al Smith Dnr. ON: NEW YORK CITY Waldorf Astoria	17 8:45 am Meeting w/Cardinal Cooke 9:45 Press Time 10:30 Mayor Koch 11:30 NY Post Chicago 2:30 Event TBA 4:00 Reagan Report 6:30 Reception 9:30 EUREKA Coll Pep ON: PEORIA/Bloomington	18 ILL. BUS TOUR NR Bloomington McLean Lincoln Springfield Auburn Pawnee Butler St. Louis ON: WEXFORD
19 PRIVATE DAY Church ON: WEXFORD	20 9:15 Meeting 1:00 pm Cincinnati Cath. Super. Conf. 5:30 Louisville Event TBA ON: LOUISVILLE	21 TO: 10:00 Herrin, Ill. 12:30 TO Chicago TO: Kansas City, MO Reagan Report Event TBA ON: KANSAS CITY, MO	22 TO: Shreveport NOON Shreveport Event TBA Columbus, MS Reagan Report 5:00 Event TBA ON: ST. PETERSBURG	23 NR NOON St. Petersburg 5 pm Miami ON : MIAMI	24 TO: Charleston, or Greenville, SC 5 PM Johnson, TN Reagan Report Chatanooga or Knoxville ON: CAMDEN/TRENTON NJ	25 Camden/Trenton 11:00 Event TBA 2:30 pm Wexford 6-7:30 Ted Welch Fundraising Recep. ON: WEXFORD
26 PRIVATE DAY Church ON: WEXFORD	27 NOON Pittsburgh 5 pm Chicago (Ford) ON: CHICAGO	28 NOON Houston Downtown Sq. Outdoor Rally Dallas Reagan Report 6:00 Event TBA ON: DALLAS	29 NOON Chicago TO: Columbus Reagan Report 5 pm Event TBA ON: COLUMBUS, OHIO	30 NOON Bergen County N.J. 5 pm Johnstown, PA ON: PHILADELPHIA	31 AM Reagan Report NOON Philadelphia 5 pm Milwaukee ON: MILWAUKEE	Flint - Kalamazoo (P) Train Tour ON: WEXFORD

000738

Photocopied at the Ronald Reagan Library
App. 0729

The Metropolitan Club
of the City of Washington
Washington, D. C. 20006

July 28, 1992

Mr. E. Lawrence Barcella, Jr.
Chief Counsel
Task Force on Allegations Concerning
Holding of American Hostages by Iran
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Barcella,

This is in response to your letter of July 20, 1992, which was not received in our offices until July 28, 1992, requesting any records the Metropolitan Club might have relating to Mr. William Casey for the period November 4, 1979 to January 31, 1981.

We have conducted a thorough search of our records at the Metropolitan Club and unfortunately have no records relating to Mr. Casey's account for that period of time.

In view of your time constraints, I will ask our General Manager, Mr. E. Guenter Skole, to convey this information to you by telephone today.

Sincerely,

J. L. Holloway III

J.L. Holloway, III
President

App. 0730

MEMORANDUM TO: MIKE DEAVER October 21, 1980

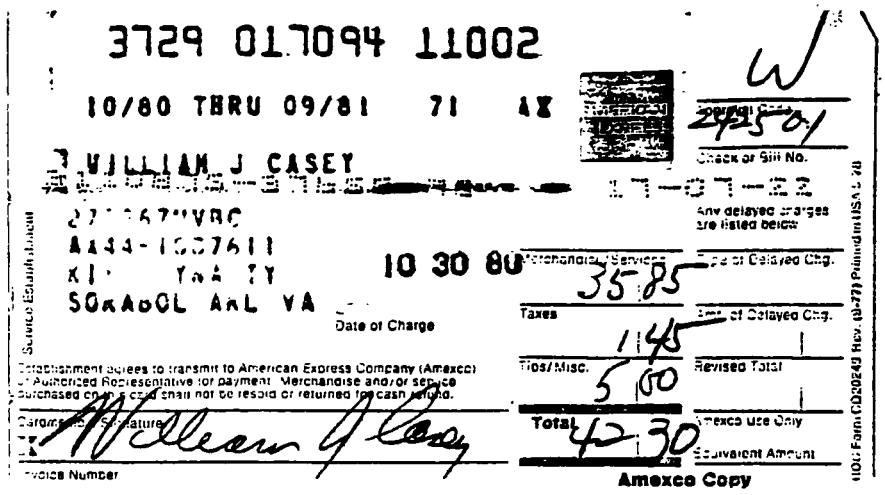
FROM: BILL CASEY October 21, 1980

FROM: BILL CASEY

I talked to Howard Baker on the plane yesterday, he advised strongly that a reference to the GAO scandal and specifically to Jay Solomon, the administrator who tried to clean it up and was forced out by Carter, would get us substantial additional mileage in Tennessee. Solomon is highly respected in Chatanooga-Knoxville ar and a reference to him while you are in Jackson City w play well in the media while you are in Tennessee. He is an insert which would do the trick. and Westchester

Copy

App. 0731



3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

10 30 80

Date of Charge

Merchandise/Services 35 85

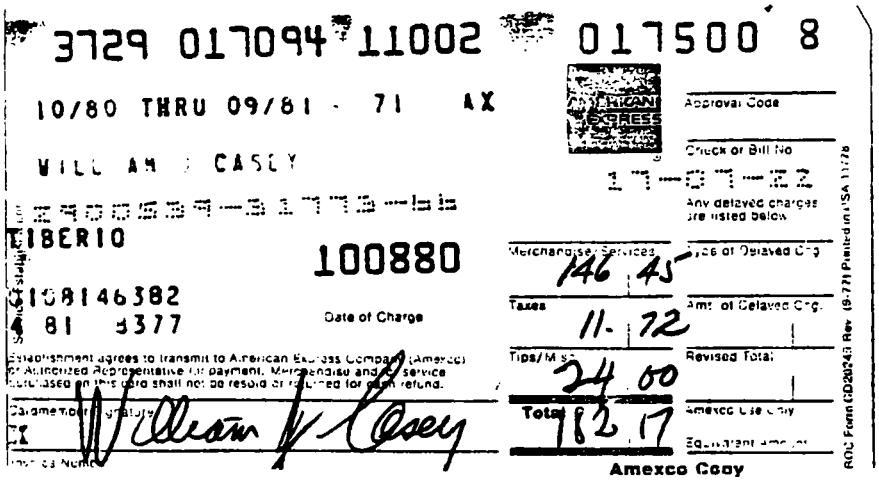
Taxes 1 45

Tips/Misc. 5 00

Total 42 30

Amexco Copy

00 715172



3729 017094 11002 017500 8

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

TIBERIO

100880

108146382

4 81 8377

Date of Charge

Merchandise/Services 146 45

Taxes 11 72

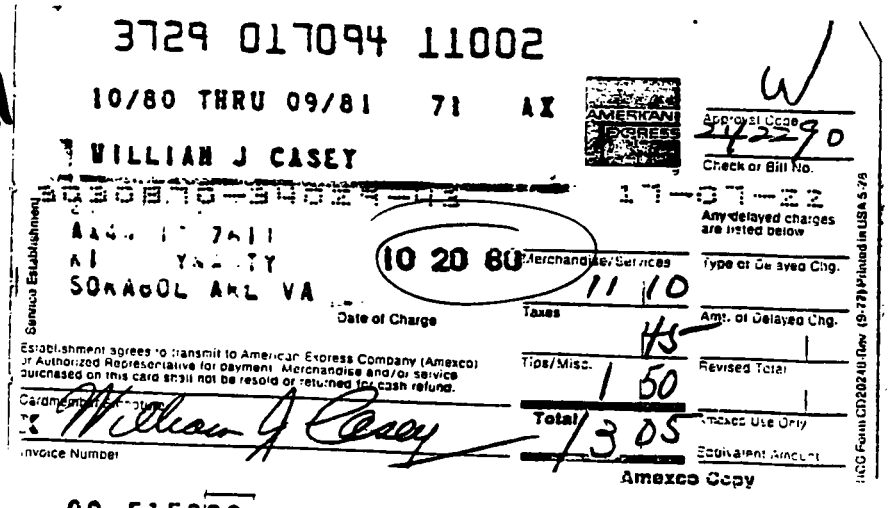
Tips/Misc. 24 00

Total 182 17

Amexco Copy

00 914493

10-20-80
King Dynasty
Sorabol Restaurant
Arl, Va.



3729 017094 11002

10/80 THRU 09/81 71 AX

WILLIAM J CASEY

10 20 80

Date of Charge

Merchandise/Services 11 10

Taxes 45

Tips/Misc. 1 50

Total 13 05

Amexco Copy

00 515220

App. 0732

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

#8

22 October 80
Date

38 446

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Mark Kringle	Mark Kringle	4th Fl.	Tony Dolan	50	1[illegible]	1[illegible]
Tim Tager	Tim K. Pagel	4th	MILLER	254	1[illegible]	
R.M. Simpson	R.M. Simpson		ART TEELE	263	1:40	6:20
Greg Fribeng	Greg Fribeng	4th	Libby Powell	190	1:45	2:35
Michael [illegible]			Kay Hughes	241	1:50	2:35
[illegible] Ford		Room 325 Exit 325	Don Rodgers	266	1:50	2:05
Norm Crowder	Norm Crowder	Copper/Colan	Delivery		1:50	2:00
RA Schwarz	[illegible]	Tom Talbott	citizens Overseas	Press	1:58	2:10
M. Tuwiler	M. Tuwiler	MYOWN	#335 GB of J		2: J	
R. Nightingale	[illegible]	Floor	VSP/State Dept	50	2:10	3:30
M. Chevallo	"	"	" / " "	254		3:30
MV Lloyd	"	"	" " "	255		3:30
Mr Phil Musser	[illegible]		Justice Telegram	174	2:[illegible]	2:50
R Teeter	R. Teeter	4th	Duthie	231	2:30	6:10
F Zarb	[illegible]		Casey	268	2:30	3:30
M. Stan Greer	M.R. Greer		"	266	2:30	2:30
[illegible]	[illegible]	Bush office	Mr. Tietge	228	2:35	3:30
Jan Connelly	Jan Connelly	Outsider			2:40	2:45

701

App. 0733

Kathy Ahern
Guard/Receptionist on duty

VISITORS LOG

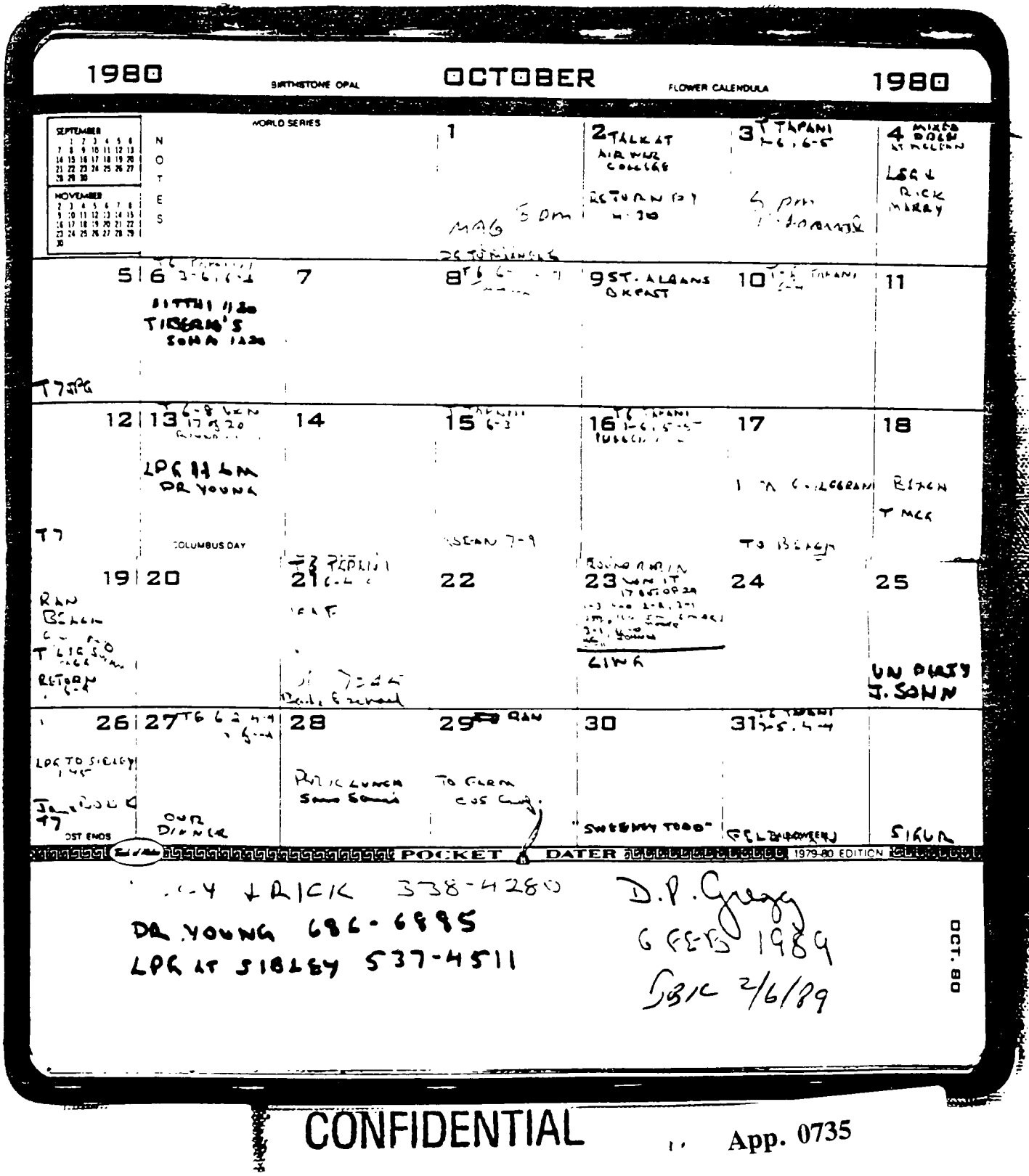
#9

22 October 80
Date

38 447

Visitor's name (printed)	Visitor's signature	Office visited	Staff sponsor	ID no.	Time in	Time out
Ken Hansen	Ken Hansen	2nd	Ed Gray	257	2:45	
[illegible]		Amb. Armstrong	[illegible]	219	2:45	
Paul Lyons		Brad Scheduling	Margaret Tutwiler	256	2:50	
Mrs Fletcher		" "	" "	203	2:50	
Larry LeMunyon	Larry LeMunyon	Otto Wolff		31	2:57	3:36
F.W. Manhart		Amb. Armstrong	Roger Wallace	253	3:00	3:30
Athena Keller	Athena Keller	Betty Sherman				
Jack Tillman	Jackie Tillman	Debates	Bergen	174	3:15	
Stephen Fenoglio	STEPHEN FENOGLIO					
Missy Collins	Missy Collins	Baker	Cathy Lindner	245	3:20	3:30
Hunter Hurst	[illegible]	Press	John Roberts	253	3:35	5:30
John Gotta	[illegible] E. Gotta	Bush	B. McElhenny		3:40	3:40
J.R. MacKenzie	J.R. MacKenzie	Casey	Mary Costello	2	3:35	
Jon Letendre	[illegible]		Maggie Massey	254	3:40	
Mike Mathes	Mike Mathes		" "	228	3:40	
Rick Valent	[illegible]	OVERSEAS	TMA	259	3:45	
M[illegible]	[illegible]		Kay Hughes	242	3:45	
Carol Jones	[illegible]	legal		268	3:50	5:20

App. 0734



1980 BIRTHSTONE OPAL **OCTOBER** FLOWER CALENDULA 1980

SEPTEMBER / NOVEMBER

NOTES

WORLD SERIES

1 MAG 5 PM 26 TURNINGS

2 TALK AT AIR WAR COLLEGE RETURN BY 4:30

3 TAPANI 5 PM

4 MIXED DOUBLES ST ALBANS LEAVE RICK MARY

5

6 BITTH 11:30 TIBERIO'S SOHA 12:30

7

8

9 ST. ALBANS BKFAST

10 TAPANI

11

12

13 LPG 11:45 AM DR YOUNG

14

15

16 TAPANI

17 I'M TELEGRAM

18 BEACH T MCC

COLUMBUS DAY

19 RAN BEACH T LIC SOHA RETURN

20

21 PENTAGON

22

23 LUNCH AT 17 BKFST W/ 2 AIR FORCE GENERALS LUNCH

24 TO BEACH

25 UN PARTY J. SOHN

26 LPG TO SIBLEY

27 OUR DINNER

28 PUBLIC LUNCH SOHA GOMA

29 RAN TO FARM CDS Cmdg.

30 "SWEENY TODD"

31 HALLOWEEN

SIBLEY

POCKET DATER 1979-80 EDITION

RICK 338-4280

DR YOUNG 686-6995

LPG AT SIBLEY 537-4511

D.P. Gregg

6 FEB 1989

SBIC 2/6/89

OCT. 80

CONFIDENTIAL

App. 0735

DEPARTMENT OF THE TREASURY
WASHINGTON

December 3, 1992

E. Lawrence Barcella, Jr.
Chief Counsel
October Surprise Task Force
House of Representatives
Washington, D.C. 20515

Richard Leon
Chief Minority Counsel
October Surprise Task Force
House of Representatives
Washington, D.C. 20515

Dear Larry and Dick:

Please find enclosed declarations for U.S. Secret Service agents who served on the protective details for then-vice-presidential candidate George Bush and for his wife, Barbara. As we agreed, we are providing declarations for the detail leader, two shift leaders and three special agents for the George Bush detail and the declarations of the detail leader and a special agent of the Barbara Bush detail.

These declarations are provided in response to your request and on the condition that the names and number of the agents signing them will not be released, as you have agreed. Further, release is based on your representation that we will be able to review, prior to release, the portion of your Task Force report concerning the Secret Service declarations. If you have any questions or need additional information, please call me.

Sincerely,

Adele L. Raymund

for Robert M. McNamara, Jr.
Assistant General Counsel
(Enforcement)

Enclosures

App. 0736

DECLARATION OF CHARLES KORFF

1. I am Special Agent Charles Korff of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Shift Leader with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 11/16/88

App. 0737

DECLARATION OF KEVIN FOLEY

1. I am Special Agent Kevin Foley of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Special Agent with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

K Foley

Executed on 11/10/92

App. 0738

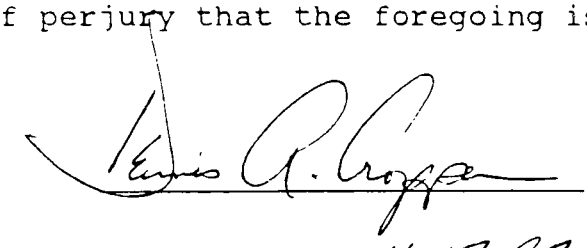
DECLARATION OF DENNIS CROPPER

1. I am Special Agent Dennis Cropper of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Special Agent with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.



Executed on 11-17-92

DECLARATION OF WILLIAM HUDSON

1. I am Special Agent William Hudson of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Detail Leader with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

William E Hudson

Executed on 11/14/92

DECLARATION OF GAIL LINKINS

1. I am Special Agent Gail Linkins of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Special Agent with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 10, 1992

App. 0741

U.S. SECRET SERVICE

Nov 30 4 27 PM '92

OFFICE OF

DECLARATION OF MICHAEL CLEARY

1. I am Special Agent Michael Cleary of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Shift Leader with the Secret Service, assigned to the detail designated to protect then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

Michael S. Cleary

EXECUTED ON 11/23/92

DECLARATION OF ROBERT SOWERS

1. I am Special Agent Robert Sowers of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Detail Leader with the Secret Service, assigned to the detail designated to protect Barbara Bush, the wife of then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, Barbara Bush, wife of then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

Robert Sowers

EXECUTED ON 11/20/92

App. 0743

U.S. SECRET SERVICE

Nov 27 10 28 AM '92

OFFICE OF THE DIRECTOR

DECLARATION OF NEIL GOODMAN

1. I am Special Agent Neil Goodman of the United States Secret Service.

2. On October 18-21, 1980, I was employed as a Special Agent with the Secret Service, assigned to the detail designated to protect Barbara Bush, the wife of then Vice-Presidential candidate George Bush.

3. At no time did I, nor to my knowledge did any other members of the protective detail, nor the protectee, Barbara Bush, wife of then Vice-Presidential candidate George Bush, travel outside of the United States during the above time period.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED ON 11/25/92

LEE H. HAMILTON, INDIANA
CHAIRMAN

STEPHEN J. SOLARZ, NEW YORK
SAM GEJDENSON, CONNECTICUT
MERVYN M. DYMALLY, CALIFORNIA
ROBERT G. TORRICELLI, NEW JERSEY
HOWARD L. BERMAN, CALIFORNIA
EDWARD F. FEIGHAN, OHIO
TED WEISS, NEW YORK

E. LAWRENCE BARCELLA, JR.
CHIEF COUNSEL

HENRY J. HYDE, ILLINOIS
RANKING MINORITY MEMBER

JIM LEACH, IOWA
OLYMPIA J. SNOWE, MAINE
DOUG BEREUTER, NEBRASKA
PORTER J. GOSS, FLORIDA

RICHARD J. LEON
CHIEF MINORITY COUNSEL

One Hundred Second Congress

Congress of the United States

TASK FORCE TO INVESTIGATE CERTAIN
ALLEGATIONS CONCERNING THE HOLDING OF
AMERICAN HOSTAGES BY IRAN IN 1980
("OCTOBER SURPRISE TASK FORCE")

House of Representatives
Washington, DC 20515

July 21, 1992

Mr. Theodore B. Olson, Esq.
Gibson, Dunn & Crutcher
1050 Connecticut Avenue, N.W.
Suite 900
Washington, D.C. 20036

Dear Ted:

Following up on the telephone conversation that Dick Leon and I had with you on July 20, 1992, enclosed please find a copy of the transcript from Frontline dated April 7, 1992. You will notice on pages 2 and 12 a statement made by President Reagan to a reporter regarding the hostages and efforts he may have undertaken to obtain their release. As we discussed on the telephone, while the Task Force fully and completely reserves its options with respect to a thorough interview of former President Reagan, we would appreciate an expedited inquiry into the meaning of the segments contained in the Frontline interview. Specifically, the Task Force would request answers to the following questions:

(1) What was former President Reagan referring to during the interview when he said he "did some things actually the other way..." and "every effort on my part was directed towards bringing them home." ? What specifically did he do and what efforts were made by him or any other campaign officials to affect the release of the hostages?

(2) Was former President Reagan aware of any contacts with any representatives of the Iranian government by anyone connected directly or indirectly with the Republican campaign or the Republican party from November 4, 1979 through January 21, 1981 with respect to affecting the status of the hostages?

(3) What was former President Reagan referring to when he indicated that some of the details were still "classified"? Is he aware of any documents or records of any sort, whether classified or not, regarding the matters under review by the Task Force? Does he recall any briefings he was given on this subject prior to his inauguration?

App. 0745

While we recognize that there are a variety of demands both on your and former President Reagan's time, I trust that you appreciate the very severe time constraints under which the Task Force is operating. Consequently, I would appreciate your presenting these questions to former President Reagan as expeditiously as possible so that a reply can be made in the same manner.

Again, let me emphasize that this procedure is not to be considered a waiver of my pending request and need to interview former President Reagan at a time and place of his convenience in a more thorough manner. I would appreciate hearing from you as soon as possible.

With Warm Regards,

E. Lawrence Barcella, Jr.
Chief Counsel

cc: Richard J. Leon, Esq.

Encl.

WGBH-TV
125 Western Avenue, Boston, MA, 02134
Transcripts: Journal Graphics, Inc., 1535 Grant Street, Denver, CO 80203

Show #1016
Air Date: April 7, 1992

FRONTLINE

Investigating the October Surprise

Produced and Directed by Robert Ross
Written by Robert Parry & Robert Ross
Reported by Robert Parry

DAVID FANNING ..... Executive Producer

FRONTLINE is a presentation of the Documentary Consortium: KCTS/Seattle, WNET/New York, WPBT/Miami, WTVS/Detroit and WGBH/Boston. FRONTLINE is made possible by the financial support of public television viewers, and by the Corporation for Public Broadcasting.

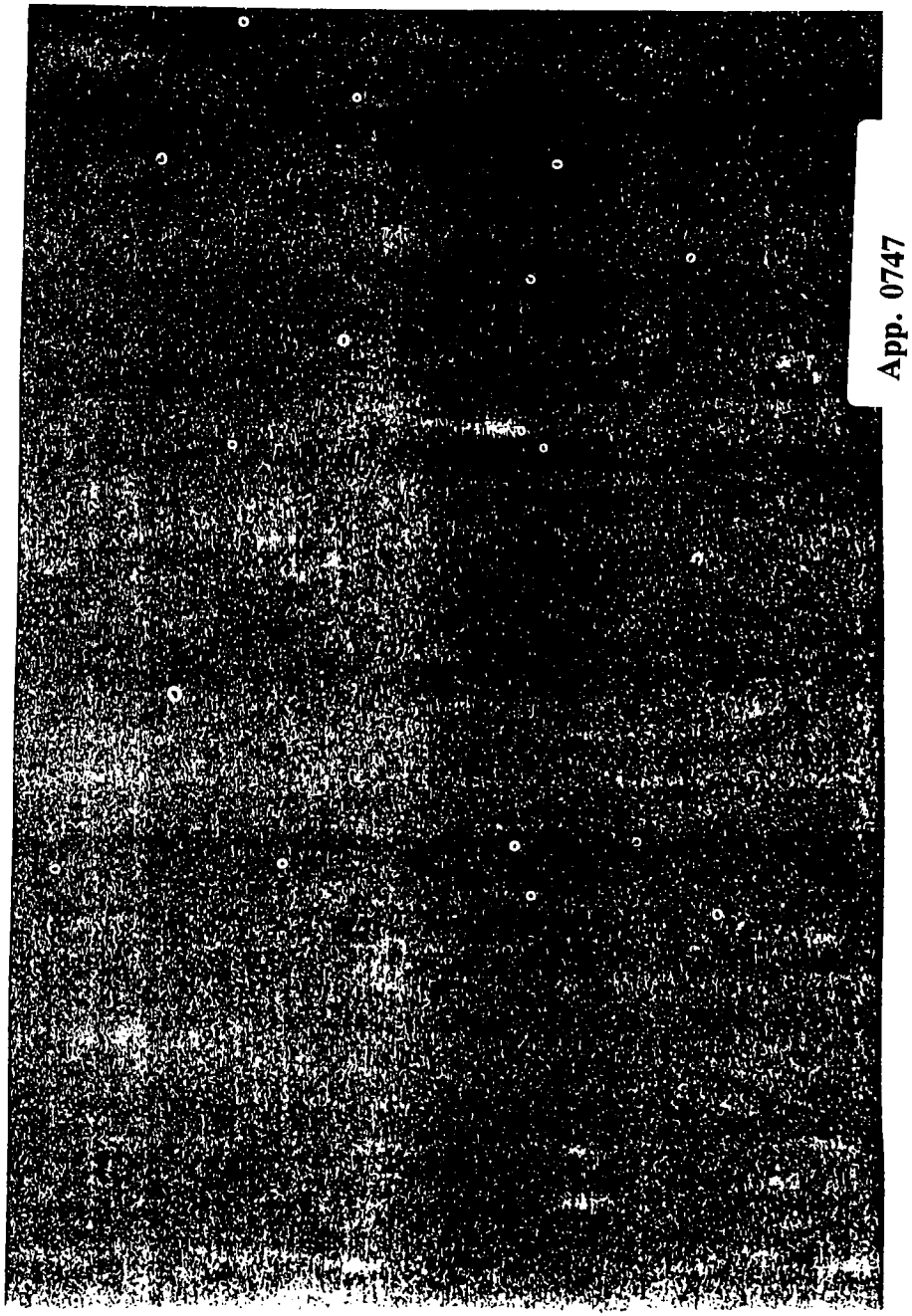
WGBH Educational Foundation
Copyright © 1992 ALL RIGHTS RESERVED

For information about buying or renting videocassettes of FRONTLINE, contact PBS Video, 1320 Braddock Place, Alexandria, Virginia, 22314, or call 1-800-424-7963 or 703-739-5380.

This transcript may not be produced in whole or in part without permission.

Transcript produced by Journal Graphics, Inc.

Transcript Charges: $5.00 by check or money order. You may also order by phone with MasterCard, Visa or American Express: call (303) 831-9000 any day 9 a.m. to 9 p.m. Mountain time. There is a $2.50 surcharge for this service, which



Investigating the October Surprise

ANNOUNCER: Tonight on FRONTLINE: Did the 1980 Reagan campaign conspire to delay the release of the American hostages?

1st CONGRESSMAN: Several of the Americans that were held in Iran have requested that we investigate.

2nd CONGRESSMAN: This is such a sick story that it defies my comprehension.

3rd CONGRESSMAN: This is only an effort to smear George Bush and Ronald Reagan and the 1980 election and that's why they're doing what they're doing.

ANNOUNCER: In February, after a heated debate, Congress launched an official investigation. That probe goes on behind closed doors today. Tonight, FRONTLINE examines the questions and the evidence, Investigating the October Surprise."

EMCEE: Ladies and gentlemen, the President of the United States and the 53 freed Americans!

NARRATOR: Last April FRONTLINE examined allegations that the 1980 election turned on a dirty trick, a conspiracy to delay the release of American hostages in Iran. The program caused a stir, in part because the charges were endorsed by a widely respected ex-government official, Gary Sick.

GARY SICK: I resisted believing these stories for more than eight years.

NARRATOR: Sick was a former National Security Council expert who had worked for Presidents Gerry Ford and Jimmy Carter. The day before the broadcast Sick had written a lengthy op-ed article in the *New York Times*. In that article Sick reported new allegations of secret meetings in 1980 in Madrid between Iranian officials and Reagan-Bush campaign manager William Casey.

In its report, FRONTLINE independently explored the allegations. While we found the evidence less than conclusive, newspapers across the country began calling for a full investigation. White House reporters even asked George Bush if he had met with Iranians.

REPORTER: *[May 3, 1991]* Were you ever in Paris in 1980, sir?

President GEORGE BUSH: Was I ever in Paris in 1980? Definitively, definitely no.

NARRATOR: On Capitol Hill congressmen pondered whether an investigation was needed. Seventy-eight Democrats signed a petition. Eight former hostages also urged a closer look.

FORMER HOSTAGE: *[June 13, 1991]* My reaction is that we need an investigation and I say that as a citizen.

NARRATOR: Even Ronald Reagan helped fuel suspicions by implying his campaign had established contact with Iran.

President RONALD REAGAN: *[June 15, 1991]* I did some things actually the other way, to try and be of help in getting those hostages — I felt very sorry for them — and getting them out of there.

NARRATOR: A few days after that golf course press conference ABC *Nightline* reported in more detail the claims of Jamshid Hashemi, an Iranian arms dealer. Hashemi claimed to have participated in Madrid meetings between William Casey and a close associate of Ayatollah Khomeini.

Senator ALBERT GORE (D-TN): *[June 24, 1991]* Some deals should never be made, Mr. President, whether arms for hostages or hostages for elections.

NARRATOR: Calls for an official probe intensified in Washington.

Rep. THOMAS S. FOLEY (D-WA), Speaker: *[August 5, 1991]* The weight of circumstantial information and persistent rumors over the years that such contacts did take place have led us to conclude that these matters should be brought to a conclusive end, once and for all.

NARRATOR: The so-called "October Surprise" conspiracy had moved into the political mainstream. As new allegations arose, former President Reagan ordered a search of his campaign files. But how much scrutiny could the allegations bear? On September 10th the *Village Voice* established that at least one of the supposed witnesses *[Richard Brenneke]* to alleged Paris meetings had lied. And in November two national news magazines published cover stories denouncing the alleged deal as myth, dismissing the story's chief sources as frauds.

A week later Gary Sick published his book. He cited 14 sources alleging knowledge of a hostage deal and he pointed to U.S.-approved post-inauguration weapons shipments to Iran as the payoff. But Sick's research came under immediate attack.

STEVEN EMERSON, "New Republic": *["Nightline"]* As an investigative reporter, I went into this trying to find out whether certain things happened and I—

NARRATOR: *New Republic* reporter Steven Emerson made the rounds of the talk shows denouncing Sick.

Mr. EMERSON: *[November 12, 1991]* I would say Gary Sick was used by other people, that he has fallen victim to their naivete and their willing intention to manipulate him.

Mr. SICK: *["Nightline"]* Steve Emerson has not talked to any of the sources that I cite or the corroborative sources. This is as if Casey was on the moon during those periods of time.

Mr. EMERSON: Gary—

Mr. SICK: He was the director of a campaign. Where was he during those periods of time?

1st CONGRESSMAN: *[C-Span]* A student of abnormal psychology, I think, would have a field day with this excursion into political paranoia.

NARRATOR: Three months later, after more bitter debate, the House of Representatives voted on February 5th to launch an official investigation.

2nd CONGRESSMAN: *[C-Span]* You know and I know that journalistic inquiries are no substitute for a Congressional investigation.

NARRATOR: Over the last year, as the debate has blown hot and cold in Washington, FRONTLINE has continued its investigation. In tonight's broadcast we will concentrate on a few of the key questions Congress is now confronting.

Where was campaign manager William Casey on days of alleged secret meetings? What more can be learned about the supposed Iranian emissary? What can newly-released FBI files tell us about the man who allegedly brokered the deal? Why are some of the supposed witnesses lying? And finally, can the available evidence be explained some other way?

Where Was William Casey?

WILLIAM CASEY: I feel very strongly that this country is in trouble, that it needs to be turned around, and I have felt for over a year that Governor Reagan is the only man in America who's ever turned a government around.

NARRATOR: The controversy naturally centers on Casey. He was an expe-

App. 0748

rienced spy, skilled in deception. He would be Reagan's first choice to head the CIA and was the architect of the Iran-*contra* operation. But plausibility aside, what proof is there that Casey actually cut a deal? FRONTLINE sought documentation of Casey's whereabouts for the months of July, August, September and October of 1980. We went to Ralph Bledsoe, director of the Ronald Reagan Library in California.

RALPH BLEDSOE: The overall theme of the museum is the presidency.

NARRATOR: Bledsoe was the man Ronald Reagan asked to search the Reagan-Bush campaign files. FRONTLINE reporter Robert Parry talked to him about what his 18-day investigation turned up.

Mr. BLEDSOE: The collection consists of about a million and a half records or so. We probably looked at, oh, 100,000 to 150,000 of those records or perhaps more.

ROBERT PARRY, Interviewer: Did you find any records pertaining to Mr. Casey's whereabouts, his travel, airplane tickets, hotel receipts, anything of that sort?

Mr. BLEDSOE: No. It's hard to tell exactly where he was on certain days. We did not find, as I recall, any kind of materials that dated— that were dated during the period of time we were— we were searching for that would place him in any one particular place. That's why I'm saying the search didn't really show much about his travels.

NARRATOR: So of the one and a half million documents related to the 1980 Reagan campaign, Bledsoe found no records detailing the whereabouts of campaign director Casey.

Mr. PARRY: But just a summary— there were no expense records for Mr. Casey?

Mr. BLEDSOE: We found none.

Mr. PARRY: There were no travel records for Mr. Casey?

Mr. BLEDSOE: We found no travel records, no.

Mr. PARRY: There was no calendar for Mr. Casey?

Mr. BLEDSOE: We found no calendar for him.

Mr. PARRY: And except for a handful of dates, you cannot establish his whereabouts anywhere over that several-month period from the convention to the general election?

Mr. BLEDSOE: That's correct.

NARRATOR: Though Bledsoe came up empty-handed, FRONTLINE's investigators had better results. From interviews with dozens of campaign staffers, campaign reporters and Casey's personal friends, as well as from reviewing contemporaneous news reports, FRONTLINE has been able to document Casey's whereabouts for about two thirds of the days between the Republican convention in July and the election in early November. We concentrated on three sets of dates, given as the times of the alleged secret meetings. The first was in late July in Madrid.

Iranian arms dealer Jamshid Hashemi claims that he and his brother Cyrus helped arrange the first arms-for-hostages negotiation. Allegedly the two principals were William Casey and Iranian cleric Mehdi Karrubi. The meetings, says Jamshid, spanned two days. In fact, hotel records do exist suggesting the Hashemis were in Madrid in late July. But what about Casey? Is there a two-day gap in his schedule in late July? *Newsweek* and the *New Republic* say no. Here is what FRONTLINE's investigation found.

On Thursday, July 24th, Casey was in Washington. He was photographed on that day accepting a campaign check at the Federal Election Commission.

REPORTER: Reagan wasn't there to get it, but his campaign chief, William Casey, represented him when the Federal Election Commission approved a check for the $29 million to finance Reagan's drive for the White House.

NARRATOR: The next day, Friday, July 25th, Casey can't be located. But according to a note on his secretary's calendar, Casey was in Washington the following day, the 26th. If the note is correct, it rules out a two-day meeting in Madrid for those dates.

But what about Sunday the 27th and Monday the 28th? Here *Newsweek* and the *New Republic* cited what they consider conclusive proof that campaign manager Casey could not have been in Madrid because he was busy attending an academic conference in London. According to a British government source, Casey paid for a room at the conference for both Sunday and Monday nights. But did Casey attend the conference daytime sessions? Here reporters have relied on the planning records of Jonathan Chadwick, administrator of the Imperial War Museum.

JONATHAN CHADWICK: In doing my planning in advance of the conference, I also had to make sure that we did not invite more people to attend than could fit into this room that we're sitting in now. To achieve these objects, I had to create these two charts. This is my accommodation plan. This is the attendances and meals plan. Now, on my chart I see I have marked that on 16th July, 1980, Arthur Funk, Professor Funk, who was the chairman of the American delegation, telephoned me to say that Mr. Casey would not be coming on 27th or 28th July after all, but that we could expect him to arrive on the 29th. And I marked my chart to show that information.

NARRATOR: Chadwick would make an X to mark an anticipated absence and a check — or, as the British say, a "tick" — to show that a participant was expected to attend. For July 28th, the first day of the conference, Chadwick pencilled X's in the boxes for Casey. But at some point Chadwick then inked in checks over those X's. When FRONTLINE first interviewed him, Chadwick said the checks might have gone in when someone told him that Casey had changed plans and would arrive for the opening session. Later he became certain that Casey had in fact shown up unexpectedly.

Mr. CHADWICK: When Mr. Casey appeared on the morning of 28th July, I was naturally taken by surprise because my last information was that he wasn't going to be here till the next morning. Anyway, I was glad enough to see him and just put ink ticks for him right through the day. Recollections are inherently unreliable 11 years later, but my recollection is that on that morning of 28th July Casey arrived with the other Americans in a sort of bunch.

NARRATOR: Out of 25 participants interviewed by FRONTLINE, three others remember Casey arriving on that Monday morning. Four Americans plus the British host of the conference, Sir William Deacon, recall Casey arriving about six hours later, on Monday afternoon. One of these Americans, UCLA professor Robert Dallek, was keeping a special look-out for Casey.

ROBERT DALLEK: And I have a very strong memory of not seeing Mr. Casey at the conference that morning because I was giving my talk at 11:30 in the morning and I looked for him in the room. I remember looking for him in the room. I knew he was a prominent figure and I was interested to know whether he was going to be there or not. And the room wasn't that crowded. There may have been what, 40 or 50 people at most. I remember meeting him late that afternoon because we walked around the Imperial War Museum together and Arthur Funk was there and that's when that famous photograph was taken of Arthur Funk and myself and Casey.

NARRATOR: In fact Chadwick's own chart adds credence to Dallek's recollection. In Casey's box for the afternoon session, Chadwick has written "Came at 4:00 PM." If indeed Casey first appears late Monday afternoon, theoretically he would have had more than enough time to attend meetings

App. 0749

n Madrid on Sunday and Monday morning.

But what about Chadwick's check marks on Monday morning? Dallek remembers a Monday morning announcement. Casey was on his way, but had been delayed by business. Chadwick says he doesn't recall such an announcement, but if true it's possible, he says, that he would have checked Casey in for the whole day.

In addition, there is possibly a wider gap in Casey's schedule in the days before the conference. A calendar note made by Casey's secretary, Barbara Hayward, places him in Washington on Saturday, but her calendar may be unreliable. Earlier that same week it put Casey in a place he didn't go and FRONTLINE could not confirm the key Saturday note. Hayward declined to be interviewed.

Without confirmation of Hayward's calendar note, and given confusion over the meaning of Chadwick's charts, Casey's whereabouts are therefore in question for a three-and-a-half-day gap from Friday until 4:00 o'clock Monday afternoon.

A second set of meetings in Madrid has also been alleged by Jamshid Hashemi. ABC *Nightline* reported that hotel records do show that a known alias of Jamshid Hashemi, Ali Balnean, was registered at the Plaza from August 8th through the 12th. But Casey's schedule is even harder to pin down in August. Busy organizing the campaign staff, Casey was out of public view for days on end and his co-workers have only vague recollections of when they were with him.

Admiral ROBERT GARRICK, U.S. Navy (Ret.): Bill Casey to me was sort of a mystery man. You know, he was here, he was there, he was around.

NARRATOR: Retired admiral Robert Garrick was an aide at Reagan campaign headquarters, where Casey had his office.

Adm. GARRICK: He had his own driver and his car would whip away and the driver brought him to these meetings, when he showed up. The way he deported himself, you never knew exactly what he knew, but you sometimes felt he knew something and he'd tell you at the appropriate time.

NARRATOR: One of the few precise memories of Casey for this period comes from a campaign employee who recalls Casey in Washington on August 12th, watching Senator Edward Kennedy's convention speech.

Sen. EDWARD M. KENNEDY (D-MA): —nominee whose name is Ronald Reagan has no right to quote Franklin Delano Roosevelt.

NARRATOR: Then, on August 14th, Casey shows up on an ABC News program.

BARBARA WALTERS, ABC News: What did Governor Reagan think of Senator Kennedy's speech?

Mr. CASEY: I haven't talked with Governor Reagan about Senator Kennedy's speech.

NARRATOR: After months of investigation and interviews on and off the record with 56 campaign co-workers, as well as with Casey's friends and relatives, FRONTLINE found there was little hard information for other dates during this period. While many remember Casey working long hours at the Arlington headquarters, few could reconstruct any specific memory for any one day. So for early to mid-August, the timeframe set by Jamshid Hashemi for the second Madrid meeting, FRONTLINE could not nail down Casey's whereabouts.

The same is true for the rest of August and early September, with a few exceptions. But on September 10th, the campaign headquarters began requiring that visitors be signed in. FRONTLINE obtained a copy of those logs and they show Casey with visitors on many of the remaining days of the campaign.

Presumably the logs might help refute long-standing accounts of a third set of meetings in Paris. Here speculation centers on Sunday, October 19th. On Saturday, October 18th, sign-in sheets at campaign headquarters show Casey's brother and sister-in-law stopping by at lunchtime. Then at 11:30 that night, Casey seems to have signed in for a 10-minute visit to the operations center where campaign news and developments in Iran were monitored around the clock.

FRONTLINE next locates Casey 32 hours later, on Monday morning, October 20th, in Cincinnati with Ronald Reagan. He had flown there that morning from Washington, D.C. We were unable to locate Casey on Sunday, but neither did we find any evidence that he had traveled to Paris over the weekend.

The absence of better travel records for Casey remains a mystery. But one last note. In 1983 a House committee investigated Casey's role in Debategate, the 1980 theft of Carter campaign materials. Casey told the investigators he kept records. They included, he said, a personal log in addition to a desk calendar and a secretarial log. When investigators asked Casey where his personal log could be found, he told them "he thought it was in his files." When he was told that the subcommittee investigators had not found it, he said "he would search for it." Today those records are still missing. They appear not to be in the campaign archives and Casey's widow says she hasn't seen them.

The Iranian Emissary?

In today's Teheran angry slogans remain on the walls of the former U.S. embassy. The embassy is now home to a training center for Iran's Revolutionary Guards and a book store selling captured secret American documents. Though Ayatollah Khomeini died two years ago and the new government has toned down its anti-American rhetoric, Iran remains a country deeply distrustful of the United States. Mehdi Karrubi, now speaker of the Iranian parliament, is one of the most outspoken critics of "the great Satan." Allegedly Karrubi was the principal Iranian emissary who negotiated with William Casey in Madrid and in Paris.

MEHDI KARRUBI: *[subtitles]* I was not involved, and I don't know anything about it.

NARRATOR: This FRONTLINE interview was Karrubi's first on-camera response to the West about Jamshid Hashemi's allegations.

Mr. KARRUBI: *[subtitles]* It's a total lie. The amusing part is that I have never been to France or Spain.

NARRATOR: FRONTLINE could not establish the truth of Karrubi's assertion that he had never been to France or Spain.

SA'ID RAJAIE-KHORASANI: I think Mr. Karrubi did have trips to outside Iran in those days on many occasions.

NARRATOR: Sa'id Rajaie-Khorasani is another senior member of the Iranian parliament. He was the Islamic Republic's ambassador to the United Nations during the hostage crisis. In 1980 he represented Iran before many international audiences.

Mr. RAJAIE-KHORASANI: A middleman, particularly an Iranian middleman, who is a respectable clergyman in the Iranian society, who goes and talks to American, let's say, representatives in Spain is not respected very highly. And if someone like Mr. Karrubi has had any contact of this nature, it is most reasonable to assume the he prefers to keep the news of that contact secret and undisclosed.

Mr. KARRUBI: *[subtitles]* I have no knowledge of such a thing. I vehemently deny it, and I am certain it isn't true. There is absolutely no proof in

App. 0750

718

this, except a completely fabricated rumor which appears to be linked to American domestic politics. What difference would it make to us Iranians whether Carter or Reagan was in power? Firstly, I have no knowledge of it, and secondly, I deny everything.

Mr. RAJAIE-KHORASANI: It's exactly like expecting Mr. Casey in those days to come to the American people and tell them what you did in Madrid. And, definitely Mr. Casey would not say anything and *our* Mr. Casey is not going to say anything now.

The Broker?

NARRATOR: If Casey cannot be pinned down and Karrubi denies everything, what about the man who allegedly brokered the deal, Cyrus Hashemi, a New York-based banker and arms dealer? There's evidence he was in Madrid in late July. What else do we know? In September, 1980, the FBI installed bugs and wiretaps in Hashemi's New York offices. The FBI suspected that Cyrus was an important financier for the Khomeini regime and they suspected he was acting as a paymaster for Iranian agents in the United States. *[on screen, "Cyrus Hashemi was the financial conduit through which monies from Iran were funneled to Iranian dissidents in the United States."]* The wiretaps did confirm that Cyrus was extremely influential with senior levels of the Iranian government. Indeed the Carter White House thought enough of Cyrus's influence to use him as an intermediary with Iran throughout the hostage crisis. But was Cyrus a double agent, as his brother Jamshid asserts? Do the FBI wiretaps turn up any evidence that Cyrus was back-channeling information to the Republicans—most importantly, to Casey?

It was impossible for us to determine. The FBI summaries of the wiretaps are heavily censored. Only an investigator with access to uncensored wiretap summaries can determine if the surveillance picked up any evidence of links between Casey and Hashemi. But there is evidence of indirect links. Casey and Hashemi had important business associates in common. According to the wiretaps, Cyrus was profiting from multi-million-dollar business deals with a close Casey friend, John Shaheen. Shaheen had known Casey for 35 years. They met as spies in the O.S.S., the CIA's forerunner.

SOPHIA CASEY, William Casey's Widow: John and Bill Casey were very good friends. Bill met him in the Second World War and they— we'd have dinners together and talk about the war and so on. That's how— that's how Bill knew John Shaheen.

NARRATOR: Another mutual business associate was Roy Furmark.

Mrs. CASEY: Furmark— I would say Furmark— every year the Shaheens had a Christmas party and I went to about five of them and I always saw Furmark. He was a very good friend and a very good employee of John Shaheen.

NARRATOR: The wiretaps show that in September, 1980, a Shaheen company, Mid Ocean, deposited $2.5 million into a bank Cyrus Hashemi owned. And in October, 1980, Cyrus Hashemi offered $45 million to bail Shaheen out of a failing oil refinery that Shaheen had built in Newfoundland.

At the same time, Casey was in close contact with Shaheen. According to a Shaheen assistant, the two men talked by phone at least once a week during the 1980 campaign. Casey had even done legal work for Shaheen on the oil refinery before he became campaign manager. There is no evidence in the censored wiretaps, however, that Casey was in direct contact with Cyrus Hashemi. But Cyrus's older brother Jamshid told FRONTLINE that Shaheen's assistant, Furmark, introduced the Hashemis to Casey in March 1980. Furmark denies it. Furmark would acknowledge only that he met Cyrus Hashemi in 1979 and had business dealings with him during 1980. Shaheen died in 1985.

The censored FBI summaries shed no further light, but the summaries do show that Cyrus Hashemi was double-dealing the Carter administration in another way. Beginning in October of 1980 Hashemi, while supposedly helping the White House on the hostage issue, began plotting illegal military shipments to Iran. By December the FBI reported that the thrust of Hashemi's activities had "shifted from the hostages and any hostage negotiations to what amounts to the improper and illegal shipment of military support equipment to Iran."

Other documents show that Hashemi arranged aircraft spare parts, rafts and electrical wiring shipments. According to the last FBI wiretaps, he was even scouting the American market for air-to-air missiles. Armed with the wiretap evidence, the FBI would push for and finally get an indictment of Cyrus and Jamshid Hashemi nearly four years later.

Some reporters have cited the indictment as reason to question Jamshid's October Surprise account. Why, they ask, wouldn't the Hashemis have used their secret knowledge of a hostage deal to ward off any prosecution? But the FBI documents do show a pattern of favoritism towards the Hashemis. In February, 1981, two weeks after the inauguration, the wiretap was pulled from Cyrus's New York office, even though he was still considered an agent of a foreign power. A year later, when the FBI pushed for an indictment, the Reagan Justice Department put it off, arguing that the charges were too petty.

Faced with Washington's objections, the arms-trafficking allegations lingered for another two years before the FBI finally got its wish for a grand jury. Even then the Reagan Justice Department gave the Hashemis special treatment. Just before the indictments could be handed up in mid-1984, an assistant attorney general insisted on tipping off the Hashemis. The FBI watched as Cyrus canceled a return flight from London to New York, where he would have been arrested. Cyrus would ultimately escape arrest entirely, agreeing to cooperate in a sting operation against Israeli and American arms dealers rather than face trial.

In 1988, in the midst of that case, he died, the cause of death listed as acute leukemia. In early 1989 the Justice Department finally dismissed the remaining charges against Cyrus's brother, Jamshid. Jamshid had alluded to reporters of an October Surprise plot as early as 1983, but it was only after he was cleared of charges that he went public, saying he had actually participated in meetings.

A Paris Meeting?

RICHARD BRENNEKE: To the best of my recollection, it was either the 19th or the 20th, which would mean either a Sunday or a Monday. I can't give you an exact date. I mean, that's the best I can do is say it was the 19th or the 20th.

NARRATOR: While questions remain about Casey's schedule and Karrubi's and the Hashemis' involvement, some self-proclaimed witnesses to an arms-for-hostages deal have turned out not to be credible at all.

Mr. BRENNEKE: It was a case of, "OK, you're going to get your weapons. We're going to get our hostages."

NARRATOR: Last April when FRONTLINE first examined the 1980 hostage mystery, we recounted the outcome of a federal trial in Portland, Oregon. In that 1990 trial, Richard Brenneke, an Oregon businessman with a specialty in money-laundering, was accused of perjury for asserting to a

App. 0751

719

federal judge that Bill Casey, George Bush and CIA officer Donald Gregg went to Paris around mid-October, 1980, to put the finishing touches on a hostage deal.

Mr. BRENNEKE: I'd never met Mr. Casey. The only knowledge I had of him was pictures in newspapers and identification that— and he was not bashful. It was, "Hi. I'm Bill Casey."

Mr. PARRY: So he introduced himself to you?

Mr. BRENNEKE: Yeah. I said, "Good morning. I'm Dick Brenneke."

NARRATOR: Brenneke was found innocent of perjury when federal prosecutors failed to prove a negative, that Casey, Bush and Gregg were not in Paris.

Mr. BRENNEKE: *[press conference]* We told the truth. We told the truth all along and, by God, it was believed.

NARRATOR: Following his acquittal, Brenneke enlisted the help of a researcher, Peggy Robohm, in order to help him write his memoirs.

PEGGY ROBOHM: So I flew out to Oregon and packed up Dick's files with him.

NARRATOR: But after Robohm began to search through Brenneke's 1980 financial records, she found evidence that Brenneke was in fact lying about his own presence in Paris.

Ms. ROBOHM: I found credit card receipts that matched the dates when he had said that he had been in Paris in 1980, specifically receipts for the weekend of October 17th through 19th and receipts that went through the 21st, at the time when he said he had been in Paris at a meeting regarding what's known as the October Surprise. He had gone up to Seattle, Washington, for a Kendo tournament.

NARRATOR: On October 19th, for instance, when Brenneke claimed to be on his way to Paris to meet Casey and Gregg, his personal papers show him checking out of a motel in Seattle, Washington, getting his car washed and then having dinner at Mazzis, an Italian restaurant back in Portland. It remains unclear why he lied.

Mr. PARRY: It does seem sort of monumentally stupid to be preparing a book to talk about your— a life that you did not lead, but to bring documentation that would show you to be not telling the truth. Does it not?

Ms. ROBOHM: I would say careless.

NARRATOR: Brenneke refused to be re-interviewed for this broadcast. Whether he lied for personal gain or for some other motive, it's a mystery why he presented his Paris story under oath to a federal judge in an unrelated case four years ago.

ARI BEN-MENASHE: There were meetings that took place in France.

NARRATOR: But besides Brenneke, a half dozen other individuals have claimed knowledge of Paris meetings between Republicans and Iranians. Most admit that their information is second-hand and since some of them travel in the same circles, they could have been feeding off each other's scraps of information. It is also possible that some were picking up rumors that had begun floating around Republican circles as far back as mid-October, 1980. At that time John McLean, a Washington-based correspondent for the *Chicago Tribune*, had gotten a tip George Bush was on his way to Paris.

JOHN McLEAN: I was told by someone who was in a position, a secondary position in Republican circles — I suppose that's a decent way to describe it — where he would have access to information of this kind, that Bush was planning to or was on his way to Paris to discuss the hostage situation.

NARRATOR: In checking out the rumor, McLean approached a State Department official, David Henderson. Henderson's calendar shows he met

with McLean on October 18th.

DAVID HENDERSON: He blurted out excitedly that George Bush was going to Paris or was on his way or was essentially there already — it wasn't— it was clear to me that it was an imminent thing that was about to happen right that weekend — to meet with the Iranians to talk about the release of the American hostages.

Mr. McLEAN: What I know for sure is that it came up, that I checked it out and that I got nowhere with it, that I didn't feel particularly astounded by it, at the time, and wouldn't have been particularly astounded if it had been true. To the best of my memory, it wasn't true. Or to the best of my memory of how I checked things out, it was not true. But it was being discussed.

NARRATOR: After the Republican campaign denied the rumor, McLean dropped the story, but rumors that George Bush attended a final meeting with Iranians persisted. One individual who has fueled them is a former Israeli intelligence official, Ari Ben-Menashe.

Mr. PARRY: Now, as you know, the— President Bush has vociferously denied that he was in Paris that weekend.

Mr. BEN-MENASHE: Obviously he has a bad memory.

NARRATOR: Ben-Menashe is perhaps the most perplexing of those alleging an October Surprise deal. FRONTLINE has established Ben-Menashe did work for a unit of Israeli military intelligence from 1977 to 1987. Though Israeli government spokesmen insist he was only a translator, senior Israeli and Iranian sources have told FRONTLINE that Ben-Menashe served as an intelligence officer handling sensitive assignments concerning Iran in 1980. When Ben-Menashe ran afoul of U.S. law in 1989 and was charged with conspiracy to sell three C-130 transport planes to Iran, the Israeli government disowned him. Ben-Menashe won an acquittal, but his credibility with reporters collapsed because some of his assertions proved implausible, particularly his claim about George Bush.

Mr. PARRY: Are you saying that he is— that he's lying about this?

Mr. BEN-MENASHE: He was in Paris that weekend.

Mr. PARRY: Is there any possibility that you saw someone who might have looked a bit like the President, but was not the President?

Mr. BEN-MENASHE: At the time, it was— it's clear— it was clear that it was him. I mean—

NARRATOR: Although Ben-Menashe insists Bush was in Paris, the vice presidential candidate was in the public eye almost constantly in the weeks before the election. His whereabouts should be no mystery.

In the FRONTLINE broadcast last April we showed heavily censored records from Bush's Secret Service detail reflecting a Bush trip to a suburban Washington country club that would have ruled out any trip to Paris. Since then, after an appeal from FRONTLINE for more information, the Secret Service revealed more of that record, including a passage showing that Bush was at his Washington home. The Secret Service has declined to make available any agent from the detail for an interview. Independently, FRONTLINE located three of the agents. They all cited secrecy rules and declined comment. But if the Secret Service record is correct, then a Bush trip to Paris is impossible.

Pres. BUSH: That for political gain, I would assign an American to captivity one minute longer than necessary, I think is a vicious personal assault on my integrity and my character as president.

Another Theory?

App. 0752

720

NARRATOR: If the Reagan campaign did not conspire to delay a hostage release, is there another explanation that fits the body of circumstantial evidence that exists? FRONTLINE's investigation has looked at just such a possibility, that Republican contacts with the Iranians did exist, but were intended not to delay a hostage release, but to win their release as early as possible. Remember what President Ronald Reagan said on the Palm Springs golf course last year?

Pres. REAGAN: I did some things actually the other way, to try and be of help in getting those hostages — I felt very sorry for them — and getting them out of there. And this whole thing, that I was worried about that as a campaign thing, is absolute fiction. I did some things to try the other way.

NARRATOR: When pressed to explain what he had done, Reagan suggested there might have been some contacts.

Pres. REAGAN: Every effort on my part was directed toward bringing them home.

REPORTER: Does that mean contacts with the Iranian government?

Pres. REAGAN: Not by me, no.

REPORTER: By your campaign, perhaps?

Pres. REAGAN: Well, I can't get into details. Some of those things are still classified.

NARRATOR: Reagan didn't explain what he meant by "classified." If his campaign conducted any foreign policy initiative, it would not have been classified. He was still only a candidate.

But FRONTLINE did find that some Republican activists were exploring ways to help end the hostage crisis as early as six months before the election. Besides humanitarian concern for the hostages, there was worry that the crisis was eroding America's image in the world. But there was also fear that if President Carter won the hostages' freedom right before election day, the so-called October Surprise, it could threaten Ronald Reagan's expected victory.

Pres. BUSH: All I know is, there's a concern, not just with us, but I think generally amongst the electorate, well, this Carter's a politically tough fellow. He'll do anything to get re-elected and let's be prepared for some October Surprise. And I hope it doesn't happen if it's a contrived event that has short-run political benefit but long-run detrimental benefit— detriment— be of long-run detriment.

NARRATOR: A South African arms dealer, Dirk Stoffberg, claims to have been approached by Casey, who asked him to help arrange a swap of South African weapons for the American hostages.

DIRK STOFFBERG: It was during the summer of 1980. I and some colleagues of mine were instrumental in assisting the release of three British hostages. We used the kind of officer's old saw, the Swedish embassy, and had to deliver various arms to the Iranians. As a result of this, I was contacted by the Brits. I went to London in the summer of 1980. I was taken by the British official to the Capital Hotel in Knightsbridge and I was contacted by a man, a tall man, well-built with blond hair, introduced as Reiner Jacobi.

NARRATOR: Reiner Jacobi was an international intelligence freelancer who made a living in the shadowy world of covert operations. Stoffberg said Jacobi took him to meet "an important American."

Mr. STOFFBERG: Reiner came to pick me up the one evening, took me to the Churchill's Hotel — it was about 8:30 — and introduced me there to a man which he called "Mr. Casey," a tall man, balding, slightly stooped. He was sitting at a table alone. I joined him. We had dinner. It lasted for about

three hours. I was asked if during the contacts I had, if we could assist on the same way we got the British hostages released to get the hostages released that were taken during the embassy siege. I said, "Certainly, we'll talk to the people concerned and give whatever cooperation we could."

Mr. PARRY: And Mr. Casey was looking for a way to get the hostages out, not keep them in?

Mr. STOFFBERG: Most definitely. He wanted them released and we had to use whatever methods we could with the Iranians and the Iranians wanted weapons.

NARRATOR: Stoffberg has sworn to this account in a an affidavit to Congressional investigators and presented documents showing that he was in London in mid-August, 1980. Tracked down in Hong Kong, the other supposed witness, Reiner Jacobi, has corroborated the essential points of Stoffberg's story.

But there are reasons to doubt both men's stories. Stoffberg claims that it was his work on the British hostages' release that got him referred to Casey in mid-summer, 1980. But the three British hostages were not released until February of 1981. At best, Stoffberg's help to the British was in a very early stage when he supposedly met with Casey. Jacobi is another witness of dubious credibility. Indeed, Jacobi and Stoffberg were both facing criminal charges when they first offered their claims about a Casey meeting. Stoffberg's recent testimony to Congressional investigators looking into the October Surprise allegations did help him shave a few months off a sentence.

Lies and Deception?

However the evidence is viewed, there seems to be no explanation for the mass of circumstantial evidence that exists. No one hypothesis seems to fit all the witnesses' accounts. Can the U.S. Congress or any investigator ever discover the truth?

Consider one more piece of the October Surprise puzzle. Remember Richard Brenneke? He was the man who said he was in Paris with Casey in October of 1980, but who was later found to be lying. His story doesn't end there. The allegation that Brenneke participated in Paris meetings was not at first put forward by Brenneke himself. That allegation came from a mysterious source who surfaced in September, 1988, two months before that year's presidential election. One night the source called a radio talk show in Los Angeles.

"Mr. RAZIN": The name I'm going to use this evening is Mr. Razin.

1st HOST: Mr. Razin.

2nd HOST: Mr. Razin, tell us about the George Bush connection to this alleged deal. Was he there?

"Mr. RAZIN": Sure as God made little green apples.

NARRATOR: Though Brenneke backed up Razin's account, reporters quickly discovered errors in Razin's story.

MARTIN KILIAN: Mr. Razin first called me in, I think it was, early September.

NARRATOR: Martin Kilian is a Washington correspondent for the German magazine *Der Spiegel*.

Mr. KILIAN: And he was talking about three meetings in Paris, two on Sunday, the 19th of October, one Monday, the 20th. And he rattled down a list of names, among them Richard Allen and Mr. Gregg. Now, very quickly it turned out that there were problems with Mr. Razin's story. I found out that Mr. Allen, whom Mr. Razin had accused of having been part of this

that weekend, October 19th, Sunday, that Mr. Allen was not in Paris. He had been on some talk show, Sunday talk show, live.

NARRATOR: The discrediting of Razin's story had a lasting impact. October Surprise theories lost credibility. But who was Razin? Why was he lying? Kilian later learned that Razin's real name was Oswald LeWinter, a former literature professor and author. In the 50's and early 60's he had won a number of prestigious poetry awards, but in the 70's he apparently turned to politics. In 1976, FRONTLINE discovered, LeWinter went to Washington, where he offered his services as a consultant specializing in negative campaign research. FRONTLINE located LeWinter in Germany, where he now lives.

Mr. PARRY: Is LeWinter your real name?

OSWALD LeWINTER: I prefer not to answer that, OK?

Mr. PARRY: Well, we—

Mr. LeWINTER: It's the name on my passport.

Mr. PARRY: It's the name on your passport?

NARRATOR: LeWinter admitted he was indeed Razin and that he had lied in 1988, but his new story was even more bizarre. He claimed that he had been hired by four American intelligence operatives to salt October Surprise allegations with enough false information to discredit the whole story.

Mr. LeWINTER: Well, I met with four people, basically, and was given to understand that there were a number of others who were interested in seeing this succeed— in other words, making sure that the media lost interest, that the story was discredited.

NARRATOR: LeWinter refused to say who the four people were who supposedly hired him, nor would he provide any other supporting evidence, so his new story, too, is suspect. Is this, then, a deception within a deception? If nothing else, the story of Oswald LeWinter seems to epitomize the strange nature of the riddle called the October Surprise.

In this report we touched on only a few of the questions surrounding the alleged conspiracy. Despite months of investigation and interviews with hundreds of people in Europe, the Middle East and the United States, we do not have a satisfactory answer for what did or did not happen in 1980. The complexity and ugliness of the October Surprise charges make it understandable why many politicians, journalists and citizens simply want to dismiss the possibility of a hostage deal altogether.

But a more exhaustive review of alleged pre-election contacts with Iranians could shed light on two later historical developments. After Ronald Reagan's inauguration, the U.S. government did secretly authorize Israel to ship U.S. weapons to Iran. As FRONTLINE reported a year ago, and as the *New York Times* also has found, that secret approval was never adequately explained. Who gave the OK and why?

And when a new hostage crisis struck in 1984, many of the same band of arms dealers, financiers and intelligence operatives were together again. John Shaheen, Roy Furmark, William Casey and Cyrus Hashemi all joined forces in a scheme to win freedom for American hostages in Lebanon. Cyrus Hashemi brought to the first negotiating session an Iranian named Hassan Karrubi, Mehdi Karrubi's brother. That secret arms-for-hostages scheme would become known as the Iran-*contra* affair.

The Congressional committee investigating the October Surprise is due to release a preliminary report this summer, but even with the power to compel testimony and to subpoena documents, that investigation, born in bitter partisan debate, faces a daunting task. The overriding truth about 1980 may be that the American people may never know what happened.

ANNOUNCER: Next time on FRONTLINE, the deepening divide between the politicians and the people.

1st VOTER: I think politicians are like lovers. They chase you and when they get what they want, then they forget about you.

ANNOUNCER: Correspondent William Greider examines the roots of today's political discontent.

2nd VOTER: I'm tired of being victimized by the very people that we've elected to represent us.

ANNOUNCER: "The Betrayal of Democracy," a FRONTLINE election special.

Copyright © 1992 WGBH Educational Foundation

Credits

Produced and Directed by	ROBERT ROSS
Written by	ROBERT PARRY, ROBERT ROSS
Reporter	ROBERT PARRY
Additional Reporting	JIM GILMORE, DAVID MARKS
Field Producer	FABIENNE MARSH
Editors	SHARON SACHS, CINDY KAPLAN ROONEY
Narrator	WILL LYMAN
Camera/Sound	ROBERT ROSS
On-Line Editors	MARK STEELE, DOUG MARTIN, JIM DEERING
Rostrum Camera	RALPH PITRE
Additional Research	COURTNEY HAYES
Assistant Editor	MATTHEW BADGER
Production Assistant	KAREN RUSH

Additional materials:
ABC News
AP/World Wide Photo
Bettmann Archive
Canapress Photo Service, CP Photo
NBC News Archives
Sherman Grinberg Film Libraries
World Wide TV News

For FRONTLINE

Post Production Producer	ROBIN PARMELEE
Production Manager	HESH SHOREY
Post Production Supervisor	COLLEEN WILSON
Off-Line Editor	TAMARA McCLINTON
Production Assistant	KATHLEEN BOISVERT
Series Graphics	ALISON KENNEDY, JACK FOLEY
Closed Captioning	THE CAPTION CENTER
FRONTLINE Theme	MASON DARING, MARTIN BRODY
Staff Producers	JUNE CROSS, JIM GILMORE
Staff Reporter	JOE ROSENBLOOM III
Director of Promotion	JIM BRACCIALE
Publicist	STEPHANIE MURPHY
Promotion Assistant	DIANE HEBERT

App. 0754

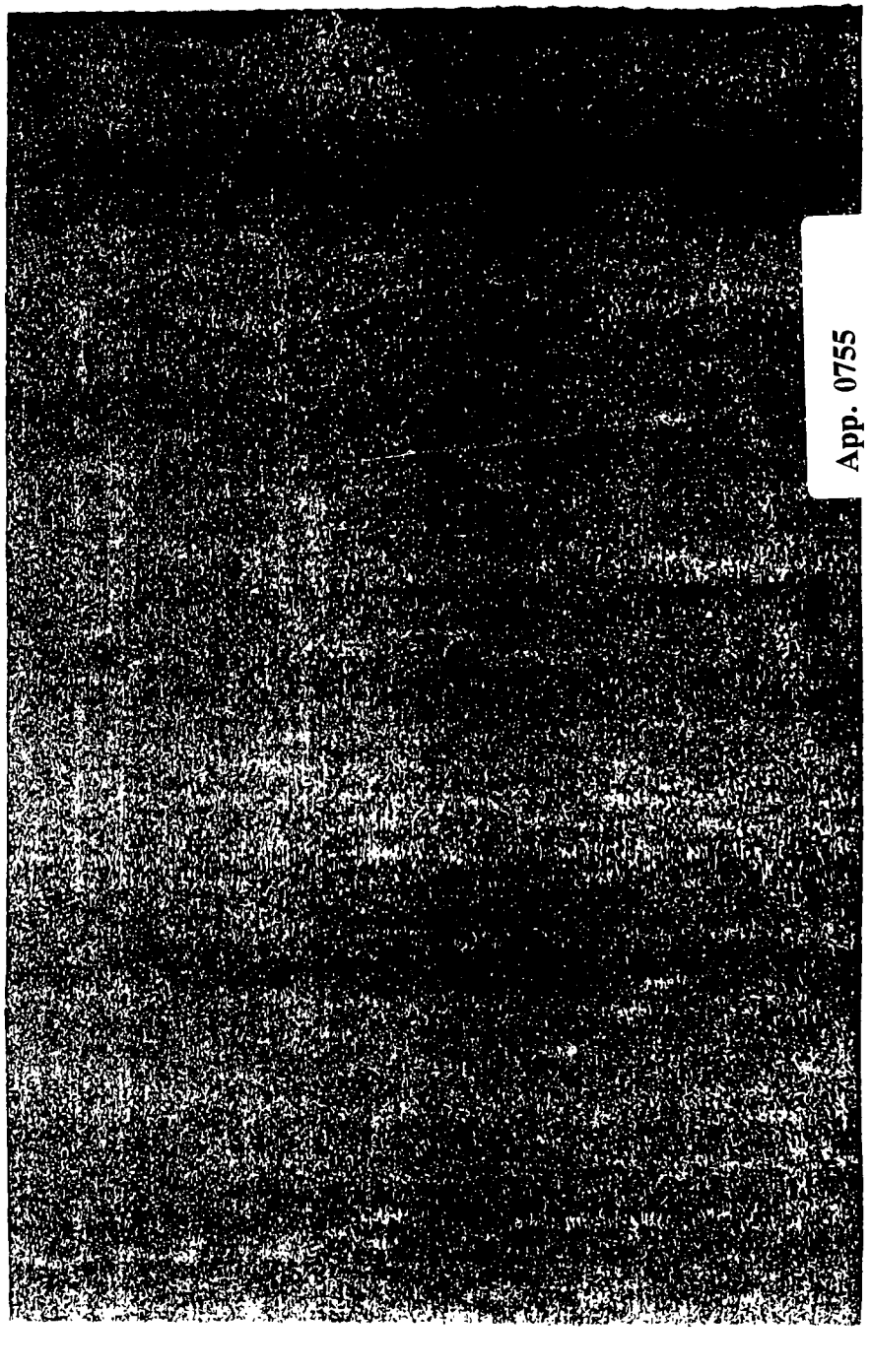
Project Secretaries MARY ELIZABETH CANNING, MIRI NAVASKY
Special Projects Assistant ..... ERIKA D. KINAN
Unit Managers ..... KAREN L. ROACH, ROBERT O'CONNELL
Director of Administration ..... KAI FUJITA
Series Editor ..... MARRIE CAMPBELL
Senior Producers ..... MARTIN SMITH, MICHAEL SULLIVAN
Executive Editor ..... LOUIS WILEY Jr.
Executive Producer ..... DAVID FANNING

A Roas Film/Video production
for FRONTLINE

© 1992
WGBH Educational Foundation
All Rights Reserved.

To purchase videocassettes
for educational use only:
1-(800)-328-PBS1

PBS Video
1320 Braddock Place
Alexandria, VA 22314



GIBSON, DUNN & CRUTCHER
LAWYERS
1050 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-5306

(202) 955-8500
TELEX: 892501 GIBTRASK WSH
FACSIMILE: (202) 467-0539

JAS. A. GIBSON, 1852-1922
W. E. DUNN 1861-1925
ALBERT CRUTCHER, 1860-1931

LOS ANGELES
333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071 3197

CENTURY CITY
2029 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-3026

ORANGE COUNTY
JAMBOREE CENTER
4 PARK PLAZA
IRVINE, CALIFORNIA 92714-8557

SACRAMENTO
400 CAPITOL MALL
SACRAMENTO CALIFORNIA 95814

SAN DIEGO
750 B STREET
SAN DIEGO, CALIFORNIA 92101-4605

SAN FRANCISCO
ONE MONTGOMERY STREET TELESIS TOWER
SAN FRANCISCO, CALIFORNIA 94104-4505

SAN JOSE
50 WEST SAN FERNANDO STREET
SAN JOSE CALIFORNIA 95113

SEATTLE
999 THIRD AVENUE
SEATTLE WASHINGTON 98104-7089

NEW YORK
200 PARK AVENUE
NEW YORK NEW YORK 10166-0193

DALLAS
1717 MAIN STREET
DALLAS TEXAS 75201-4605

DENVER
801 CALIFORNIA STREET
DENVER, COLORADO 80202-2694

BRUSSELS
AVENUE LOUISE 222
B-1050 BRUSSELS, BELGIUM

PARIS
34 AVENUE RAYMOND POINCARÉ
75116 PARIS, FRANCE

LONDON
30/35 PALL MALL
LONDON SW1Y 5LP

HONG KONG
8 CONNAUGHT PLACE
HONG KONG

TOKYO
4-1-3 MARUNOUCHI, CHIYODA-KU
TOKYO 100, JAPAN

AFFILIATED SAUDI ARABIA OFFICE
CHAMBER OF COMMERCE BUILDING
P.O. BOX 15870
RIYADH 11454 SAUDI ARABIA

WRITER'S DIRECT DIAL NUMBER
(202) 955-8668

October 23, 1992

OUR FILE NUMBER
H 75256-00006

E. Lawrence Barcella, Jr., Esq.
Chief Counsel
U.S. House of Representatives
October Surprise Task Force
Ford House Office Building
Washington, D.C. 20515

Dear Mr. Barcella:

This letter responds on behalf of President Reagan to the questions that were set forth in your letter of July 21, 1992.

Question (1): "What was former President Reagan referring to during the interview [reported on *Frontline* on April 7, 1992] when he said he 'did some things actually the other way . . .' and 'every effort on my part was directed towards bringing [the hostages] home.'? What specifically did he do and what efforts were made by him or any other campaign officials to affect the release of the hostages?"

Answer (1): President Reagan and Reagan/Bush campaign officials made it clear by their conduct and statements during the campaign that they were supportive of the Carter Administration efforts to secure the release of American hostages held in Iran. For example, a statement by Ronald Reagan was issued on September 13, 1980 supporting the

terms for the release of the hostages then being reported by the press; stating that the hostages should "be released immediately upon conclusion of an agreement;" promising not to "make [hostages] negotiations a partisan issue in the campaign;" pledging, if elected, to "observe the terms of an agreement;" and stating categorically that "there should be no delay in freeing the hostages with any thought by Iran that it might get better terms after the election in November."

President Reagan is aware of no statement made by him during his candidacy, or by any campaign official, in public or private, to suggest that they would be interested in any way in becoming involved in negotiations respecting the release of the hostages during President Carter's tenure as President.

The campaign at all times made it clear that the holding of American hostages by Iran was intolerable and unacceptable and the hostages should be released.

At all times President Reagan and the campaign acted consistent with the time-honored principle that Americans speak only through their President in matters of foreign relations and national security. President Reagan believed that as long as President Carter was President, he was the only voice for American foreign policy.

Question (2): "Was former President Reagan aware of any contacts with any representatives of the Iranian government by anyone connected directly or indirectly with the Republican campaign or the Republican party from November 4, 1979 through January 21, 1981 with respect to affecting the status of the hostages?"

Answer (2): No.

Question (3): "What was former President Reagan referring to when he indicated that some of the details were still 'classified'? Is he aware of any documents or records of any sort, whether

classified or not, regarding the matters under review by the Task Force? Does he recall any briefings he was given on this subject prior to his inauguration?"

Answer (3): President Reagan cannot recall what he meant by referring to matters being classified. However, the subject of the hostages and the Carter Administration efforts to secure the release of the hostages was known to be sensitive, delicate and presumably, subject to high levels of national security protection. President Reagan has always been extremely careful never to make public statements on matters covered by sensitive national security classifications and to avoid discussing subjects that even inadvertently might result in disclosing classified material.

President Reagan is not aware of any documents or records pertinent to the Task Force's investigation. Some time ago he instructed the custodians of the Reagan Administration presidential records to search for any such records or documents and to make public any that were found. None were located that suggested in any fashion that Reagan campaign officials acted improperly relative to the hostages. Moreover, your Task Force has been given broad access to those campaign records and has been given copies of documents it requested. President Reagan is not aware of any such documents that supported any inference of improper conduct relative to the hostages by anyone in the campaign.

President Reagan does not have any recollection of any pre-inauguration briefings that would shed any further light on the subject of the Task Force investigation.

President Reagan believes that there is no basis whatsoever for the unwarranted and unsubstantiated charge that anyone connected with him or his 1980 campaign for President did anything to delay the release of the hostages. The charge appears to be without any foundation in fact and is utterly incompatible with President Reagan's character and conduct throughout his life.

For your further information, we are enclosing a copy of President Reagan's answers to questions on this same subject directed to him by the Special Counsel of the Senate Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations.

Very truly yours,

Theodore B. Olson

TBO/hlv

WL922860.037

GIBSON, DUNN & CRUTCHER
LAWYERS
1050 CONNECTICUT AVENUE N.W.
WASHINGTON, D.C. 20036-5306
(202) 955-8500
TELEX 89250I GIBTRASK WSH
FACSIMILE (202) 467-0539

JAS. A. GIBSON 1852-1922
W. E. DUNN, 1861-1925
ALBERT CRUTCHER 1860-1931

LOS ANGELES
333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071-3197

CENTURY CITY
2029 CENTURY PARK EAST
LOS ANGELES CALIFORNIA 90067-3026

ORANGE COUNTY
JAMBOREE CENTER
4 PARK PLAZA
IRVINE, CALIFORNIA 92714-8557

SACRAMENTO
400 CAPITOL MALL
SACRAMENTO CALIFORNIA 95814

SAN DIEGO
750 B STREET
SAN DIEGO, CALIFORNIA 92101-4605

SAN FRANCISCO
ONE MONTGOMERY STREET TELESIS TOWER
SAN FRANCISCO, CALIFORNIA 94104-4505

SAN JOSE
50 WEST SAN FERNANDO STREET
SAN JOSE, CALIFORNIA 95113

SEATTLE
999 THIRD AVENUE
SEATTLE WASHINGTON 98104-7089

NEW YORK
200 PARK AVENUE
NEW YORK NEW YORK 10166-0193

DALLAS
1717 MAIN STREET
DALLAS, TEXAS 75201-4605

DENVER
1801 CALIFORNIA STREET
DENVER COLORADO 80202-2694

BRUSSELS
AVENUE LOUISE 222
B-1050 BRUSSELS, BELGIUM

PARIS
04 AVENUE RAYMOND POINCARE
75116 PARIS FRANCE

LONDON
30/35 PALL MALL
LONDON SW1Y 5LP

HONG KONG
8 CONNAUGHT PLACE
HONG KONG

TOKYO
1-1-3 MARUNOUCHI CHIYODA-KU
TOKYO 100, JAPAN

AFFILIATED SAUDI ARABIA OFFICE
CHAMBER OF COMMERCE BUILDING
P.O. BOX 15870
RIYADH 11454 SAUDI ARABIA

WRITER'S DIRECT DIAL NUMBER
(202) 955-8668

October 23, 1992

OUR FILE NUMBER
H 75256-00006

Reid H. Weingarten, Esq.
Special Counsel
Subcommittee on Near Eastern
and South Asian Affairs
Committee on Foreign Relations
U.S. Senate
Washington, D.C. 20510-6225

Dear Mr. Weingarten:

This letter responds on behalf of President Reagan to the questions that were set forth in your letter of July 22, 1992.

Question 1: "During the period of November 4, 1979 to January 20, 1981 (inclusive) did you have any contact (including, but not limited to, written correspondence, personal conversations, and telephonic communications) with any foreign national(s), official or otherwise, relating to the holding of the American hostages in Iran? If yes, please describe such contacts and provide any documents in your possession referring or relating to such contacts or your knowledge of them."

Answer 1: No.

Question 2: "During the period of November 4, 1979 to January 20, 1981 (inclusive) did you have any contact (including, but not limited to,

App. 0760

62 366 1368

written correspondence, personal conversations, and telephonic communications) with any foreign national(s), official or otherwise, relating to the transfer or transshipment of American-made military equipment or spare parts to Iran directly from the United States or from Israel or any other third party countries or intermediaries? If yes, please describe such contacts and provide any documents in your possession referring or relating to such contacts or your knowledge of them."

Answer 2: No.

Question 3: "Do you have any knowledge of any unauthorized transmission of classified and/or secret information relating to the Iran hostage crisis by any member of the Carter Administration to any individual(s), official or otherwise, associated with the Republican Party or the Reagan-Bush presidential campaign, during the period November 4, 1979 to January 20, 1981 (inclusive)? If yes, please describe such transmissions and provide any documents in your possession referring or relating to such transmissions or your knowledge of them."

Answer 3: No.

Question 4: "Have you ever met or spoken to John Shaheen? If yes, please describe the nature of your contact with John Shaheen and provide any documents in your possession referring or relating to such contacts with him."

Answer 4: The President has no recollection of ever having heard of or spoken with John Shaheen.

Question 5: "Have you ever met or spoken to Cyrus Hashemi? If yes, please describe the nature of your contact with Cyrus Hashemi and provide any documents in your possession referring or relating to such contacts with him."

Answer 5: The President has no recollection of ever having heard of or spoken with Cyrus Hashemi until references to him arose in the press

regarding various matters - and the name neither had nor has any significance to President Reagan.

Question 6: "Do you have any knowledge as to whether William Casey traveled outside the United States during the period March 1, 1980 to January 21, 1981 (inclusive)? If yes, please identify the countries and cities visited, the duration and purpose of each trip, and provide any documents in your possession referring or relating to such travel."

Answer 6: President Reagan is not aware of any such travel.

Question 7: "Do you have any knowledge of any effort by private United States citizens or government officials to delay or manipulate the timing of the release of the United States hostages held in Iran in relation to the United States presidential election of 1980? If yes, please describe such knowledge and provide any documents in your possession referring or relating to such knowledge."

Answer 7: No.

Question 8: "During the period November 4, 1979 to January 20, 1981, did you make any efforts to expedite or facilitate the release of the United States hostages held in Iran? If yes, please describe such efforts and provide any documents in your possession referring or relating to such efforts."

Answer 8: Every public or private statement made by President Reagan during the campaign was supportive and encouraging to Carter Administration efforts to secure release of hostages as rapidly as possible. President Reagan even released a statement making it clear that the hostage-holders should not "delay . . . freeing the hostages with any thought . . . that [Iran] might get better terms after the election in November."

Question 9: "Do you have any knowledge of any efforts made by any individual(s), official or otherwise, associated with the Republican Party or the Reagan-Bush presidential campaign, to expedite or facilitate the release of the Unites States hostages held in Iran? If yes, please describe such knowledge and provide any documents in your possession referring or relating to such knowledge."

Answer 9: Every public or private statement made by President Reagan was supportive and encouraging to Carter Administration efforts to secure release of hostages as rapidly as possible.

Question 10: "Do you have any knowledge of any sales (both official and unofficial), transshipments, or other transfers of any American-made military equipment or spare parts to Iran directly from the United States or from Israel or any other any third-party countries or intermediaries during the period January 20, 1981 to December 31, 1981 (inclusive)? If yes, please describe such knowledge and provide any documents in your possession referring or relating to such knowledge."

Answer 10: President Reagan has no present recollection of any such events.

For your further information, we are enclosing a copy of President Reagan's responses to questions submitted to him on this subject by the House of Representatives "October Surprise" Task Force.

Very truly yours,

Theodore B. Olson

TBO/hlv

WL922860.041

GIBSON, DUNN & CRUTCHER
LAWYERS
1050 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-5306

(202) 955-8500
TELEX: 892501 GIBTRASK WSH
FACSIMILE (202) 467-0539

JAS. A. GIBSON, 1852-1922
W. E. DUNN, 1861-1928
ALBERT CRUTCHER, 1860-1931

LOS ANGELES
333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071-3197

CENTURY CITY
2029 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-3026

ORANGE COUNTY
JAMBOREE CENTER
4 PARK PLAZA
IRVINE, CALIFORNIA 92714-8557

SACRAMENTO
400 CAPITOL MALL
SACRAMENTO, CALIFORNIA 95814

SAN DIEGO
750 B STREET
SAN DIEGO, CALIFORNIA 92101-4605

SAN FRANCISCO
ONE MONTGOMERY STREET, TELESIS TOWER
SAN FRANCISCO, CALIFORNIA 94104-4505

SAN JOSE
50 WEST SAN FERNANDO STREET
SAN JOSE, CALIFORNIA 95113

SEATTLE
999 THIRD AVENUE
SEATTLE, WASHINGTON 98104-7089

NEW YORK
200 PARK AVENUE
NEW YORK, NEW YORK 10166-0193

DALLAS
1717 MAIN STREET
DALLAS, TEXAS 75201-4605

DENVER
1801 CALIFORNIA STREET
DENVER, COLORADO 80202-2624

BRUSSELS
AVENUE LOUISE 222
B-1050 BRUSSELS, BELGIUM

PARIS
104 AVENUE RAYMOND POINCARÉ
75116 PARIS FRANCE

LONDON
30/35 PALL MALL
LONDON SW1Y 5LP

HONG KONG
8 CONNAUGHT PLACE
HONG KONG

TOKYO
1-1-3 MARUNOUCHI, CHIYODA-KU
TOKYO 100, JAPAN

AFFILIATED SAUDI ARABIA OFFICE
CHAMBER OF COMMERCE BUILDING
P.O. BOX 15870
RIYADH 11454, SAUDI ARABIA

WRITER'S DIRECT DIAL NUMBER
(202) 955-8668

December 17, 1992

HAND DELIVERY

OUR FILE NUMBER
H 75256-00006

E. Lawrence Barcella, Jr., Esq.
Chief Counsel
U.S. House of Representatives
October Surprise Task Force
Ford House Office Building
3rd and D Streets, S.W., Room 175C
Washington, D.C. 20515

Re: October Surprise

Dear Mr. Barcella:

Pursuant to your request, President Reagan submits herewith his answers under oath to the written questions that you submitted.

Very truly yours,

Theodore B. Olson

TBO/hlv
Enclosure

cc: Richard J. Leon, Esq.

DEC 17 '92 02:32PM GDC WASH DC FAX#7 P.2

Answers of Ronald Wilson Reagan to Questions Submitted by E. Lawrence Barcella:

Question (1): "What was former President Reagan referring to during the interview [reported on *Frontline* on April 7, 1992] when he said he 'did some things actually the other way . . .' and 'every effort on my part was directed towards bringing [the hostages] home.'? What specifically did he do and what efforts were made by him or any other campaign officials to affect the release of the hostages?"

Answer (1): I believe that I and Reagan/Bush campaign officials made it clear by our conduct and statements during the campaign that we were supportive of the Carter Administration efforts to secure the release of American hostages held in Iran. For example, a statement was issued on September 13, 1980 supporting the terms for the release of the hostages then being reported by the press, stating that the hostages should "be released immediately upon conclusion of an agreement," promising not to "make [hostages]

DEC 17 '92 02:32PM GDC WASH DC FAX#7 P.3

negotiations a partisan issue in the campaign;" pledging, if elected, to "observe the terms of an agreement," and stating categorically that "there should be no delay in freeing the hostages with any thought by Iran that it might get better terms after the election in November."

I am not presently aware of any statement made during my candidacy by me, or by any campaign official, in public or private, to suggest any interest in becoming involved in negotiations respecting the release of the hostages during President Carter's tenure as President.

To the best of my knowledge, the campaign at all times made it clear that the holding of American hostages by Iran was intolerable and unacceptable and the hostages should be released.

To the best of my knowledge, at all times I and the campaign acted consistent with the time-honored principle that Americans speak only through their President in matters of foreign relations and national security. I believed that as long as President Carter was President, he was the only voice for American foreign policy.

Question (2): "Was former President Reagan aware of any contacts with any representatives of the Iranian government by anyone connected directly or indirectly with the Republican campaign or the Republican party from November 4, 1979 through January 21, 1981 with respect to affecting the status of the hostages?"

Answer (2): I have no recollection of any such contacts.

Question (3): "What was former President Reagan referring to when he indicated that some of the details were still 'classified'? Is he aware of any documents or records of any sort, whether classified or not, regarding the matters under review by the Task Force? Does he recall any briefings he was given on this subject prior to his inauguration?"

Answer (3): I cannot recall what I may have had in mind when I made this statement. However, the subject of the hostages and the Carter Administration efforts to secure the release of the hostages was known to be sensitive, delicate and presumably subject to high levels of national security protection. I have always tried to be

extremely careful not to make public statements on matters covered by sensitive national security classifications and to avoid discussing subjects that even inadvertently might result in disclosing classified material. I may simply have felt that this whole subject -- negotiations concerning the hostages -- was too sensitive to discuss further.

I am not aware of any documents or records pertinent to the Task Force's investigation. Some time ago I instructed the custodians of the Reagan Administration presidential records to search for any such records or documents and to make public any that were found. Apparently none were located that suggested in any fashion that campaign officials acted improperly relative to the hostages. I understand that the Task Force has been given broad access to those campaign records and has been given copies of documents it requested. I am not aware of any such documents that suggested any improper conduct relative to the hostages by anyone in the campaign.

I do not have any recollection of any pre-inauguration briefings that would shed any further

light on the subject of the Task Force investigation.

I believe that there is no basis whatsoever for the unwarranted and unsubstantiated charge that anyone connected with me or the 1980 campaign for President did anything to delay the release of the hostages. As far as I know, the charge is without any foundation in fact.

I declare under penalty of perjury that the foregoing answers are true and correct to the best of my recollection, understanding and belief.

Executed at Los Angeles, California, this 14 day of December, 1992.

Ronald Reagan

Ronald Wilson Reagan

App. 0769

DEC 17 '92 02:33PM GDC WASH DC FAX#7 P.7

EXP : 45012150 RAFOTEL

Le 21-05-92 à 15.56

Raphael

TELECOPIE

DATE : May 21st, 1992

Nombre de copie(s) : 1
celle-ci incluse

SOCIETE : OCTOBER SURPRISE TASK FORCE
U.S. HOUSE OF REPRESENTATIVES - WASHINGTON

A l'attention de : Michael ZELDIN

FAX N° : (202) 226 1995

OBJET : Task force to investigate certain allegations concerning the holding of American Hostages by Iran in 1980

Dear Sir,

We thank you for your fax dated May 18th, 1992.

We regret not to be able to answer to your question.

We also inform you that, in our Country, an hotel room is comparable to a private home.
Therefore, we are not allowed to give any details concerning our guest.

Yours Sincerely,

Alain ASTIER
General Manager

App. 0770

17, Avenue Kléber, 75116 Paris - Tél. : (1) 44.28.00.28 - Télex . 64 53 56 - Fax : (1) 45.01.21.50
HÔTEL RAPHAEL PARIS - S.A. AU CAPITAL DE 560.000 F - SIRET . 572 019 073 00012
★★★★

THE LIBRARY OF CONGRESS

WASHINGTON, DC 20540

TRANSLATION OF LETTERS

Congressional Member or Committee: October Surprise Task Force

Language: Persian

Material Submitted: Article

Date of Material: June 22, 1992

Name and Address of Sender:

Suggested Salutation:

G.A

Translated by: Ibrahim V. Pourhadi (Name) African & Middle Eastern (Division), Collections Services (Department)

I.P.

Date: July 16, 1992

[X] Complete [ ] Abstract—Please call the Congressional Research Service (707-5700), if a complete translation is desired.

Inqilab-i Islami newspaper dated
Thursday 20th of Shahrivar 1359 (September 11, 1980)

Headline in the Inqilab-i Islami Newspaper:

Letter of Ghotbzadeh to the Majlis (Iranian Parliament) concerning the hostages. Text of Mr. Sadegh Ghotbzadeh the Foreign Minister concerning the hostages submitted to the Islamic Republic Majlis on August 18, 1980

In the name of God, the Merciful, the Compassionate.

"For those who carry the message of God, and fear Him alone and no one else, God's judgement is sufficient" (the Holy Quran, Chapter on Ahzab (Parties), Verse 39.

Ghotbzadeh's letter was presented to the honorable representative and Consultative members of the Majlis via (my brother) Hujat al-Islam [authority on Islam] Ali Akbar Rafsanjani, the respected Speaker of the Majlis.

Translator's Comments:

Ghotbzadeh's letter read as follows:

Now that by the help of God and good luck, the great Iranian nation is following the path of the guiltless Prophet, [Muhammad] and the leader of Muslim Community [Ayatollah Khomeini] who adheres to the legacy of martyrdom which is the fundamental tenet of the Islamic Republic enabling Iran to strengthen its forces and to establish the objectives of the Revolution. Knowing this fact, each faithful Muslim is duty-bound to strengthen the objectives of our revolution and remove any impediment which may hinder the progress and growth of our cause [Revolution]. I feel it is my religious obligation to do whatever is necessary and say what I know about our cause. I shall follow this course regardless of what people may say against me, even openly. In this critical time it is not proper to be indifferent, remain silent and be negligent.

In the past few months we have been facing a great crisis due to the hostage taking. We are aware of the fact that the consequences of the hostage taking have greatly impacted on our foreign policy as well as on our domestic policy in various ways.

The Muslim students attack on and occupation of the U.S. "Den of Spies" was both necessary and useful. Their action proved to be a reaction and a popular resistance against the United States aggressive policy in our homeland. The attack on and occupation of the "Den of Spies" were necessary because they have promoted the public support for the Islamic Revolution. In fact the Muslim students action crystallized our Revolution which stood firm against the Imperialist. The action of the Muslim students showed to the entire world that the Iranians were crying out loud against the tyranny of the criminal Americans over the Iranian people. It also showed to the Muslims that Islam is a bulwark and will fight relentlessly against Imperialism and that the Islamic Revolution is based on faith and will not in any way compromise its idealogy. Yes, the action of the Muslim students signified that the Iranians were suffering under the force of atheism and in fact their action manifested to the whole world that the Iranians have declared their independence and freedom.

We have often declared our faith and irreversible position to all nations. I, right from the very beginning of my responsibilities as a Foreign Minister, carrying out our foreign policy, was faced with protests made by foreign ambassadors and the international community which brought up the question of international laws, rules, and customs as well as human rights. I explained our nation's position and the reasons behind the action the attack on U.S. Embassy. I explained that the action of the Muslim was not only a protest but also a real indication that the Iranians were deprived of their human rights. For example, I now quote parts of my discussions with the ambassadors and members of the European Common Market at a meeting which was held on December 3, 1981.

We were closely watching the meeting of the high officials of the countries who were member of the European Common Market held in Dublin. The first declaration of the European Common Market Countries condemned the Muslim students attack on the "Den of Spies" and the taking of hostages. We were hoping, for years, that the European Community would stand out as a useful partner for the Third World Countries. We were hoping that the European

Community, enjoying national independence, would come to our side and support our aspirations. We were following their meeting with high expectations but we were rather surprised to see the above-mentioned declaration was against us without considering the reasons why the hostage event took place. We could not understand the declaration of the European Common Market countries and their action. The United States was actually ruling our country for twenty-five years and was responsible for the death of thousands of our nationals and, for their torture in the Shah's prisons. The U.S. had no regard to the rights and humanistic values of our people.

The United States has violated the international laws. In our country the U.S. diplomats were engaged in spy activities. Unfortunately none of the above facts are in any way reflected in the said declaration. The Shah took measures against thousands of Iranians. The U.S. claiming to support the human rights is itself responsible for all those crimes by reinstating the Shah with the assistance of its spies. Nevertheless, none of these crimes drew the attention of the European Community. Only the hostage taking arose their attention and sympathy. We, of course, did not expect such disregard from the European Community.

The United States government ignored Iran's legitimate request for the return of the deposed Shah. Instead the U.S. embarked on an economic embargo of Iran and froze Iran's assets and deposits not only in the U.S. banks but also in its overseas banks [European countries].

In the United States our citizens were jailed and their private accounts were frozen in the banks. Our old women and sick persons died because they were not able to get their deposits from the U.S. banks. Hospitals refused to admit them for treatment. Our daughters were molested in the U.S. No one ever mentioned these events. If nations must honor international laws all rules must be respected not only part of them. The European member countries must take note of all the facts if they wish to attain universal acceptance. We do not accept to be dominated by others. I am not a professional diplomat and therefore I state what is in my mind and heart, so that you as official representatives of the European Community would pay attention to these facts. If sympathy has to be extended to one country (U.S.) it must also be extended to other countries impartially. If the United States honor and integrity are to be respected, other nations as well as our nation wish to be respected. We like any other nation have our public opinion. The United States has violated international laws and rules by appointing spies instead of diplomats and therefore cannot ask for diplomatic immunity. The European Community has protested our action but I want to state that we will not allow the U.S. to do whatever it wants in the family of nations. We shall not let the U.S. to act as a spoiled child.

The purpose of giving samples of my official statements is to show that my letter is based on our decisive position vis-a-vis the world reactions caused by the hostage taking and the subsequent crisis thereof.

We must understand that the United States has widely exploited the hostage issue in order to improve its image internally. The U.S., a nation deeply divided, turned against us and took measures to isolate Iran internationally by making wide publicity. The Soviet Union has also played and is still

playing its role to isolate Iran further. Of course, each of the two Superpowers has its own independent aims and interests in isolating our nations. The Soviet Union wants to see that Iran's relations severed completely with the West and also create strained relations with its neighbors and thus force Iran to depend on its northern neighbor (the Soviet Union). We are now facing Soviet procrastination tactics for the sale of materials agreed upon. But they are tardy and have not given navigation permit to allow a ship carrying electrical transformers through Volga River. This is evident by the letter dated August 7, 1980 in which the Minister of Power states his usual refusal to help us in our industrial and political difficulties. This is the present attitude of our northern big neighbor. The United States government believes that international isolation of Iran will eventually weaken the Islamic Republic in all aspects and thus replace our regime with its own agents. The U.S. authorities are well aware of the Soviet policy which does not refrain from establishing relations with authoritarian regimes in Iran as it did with the disliked American-backed Pahlavi rule and also in Argentina. It cannot be denied that with U.S. encouragement, the Iraqi Ba'athist regime attacked us and thus U.S. wants to decimate all our military equipments and spare parts and further by its economic embargo make our factories and industries inactive. The facts show that we are all alone and are fighting against the Imperialists and their stooges. Considering these facts, we must be most careful to prevent any waste of our resources and reorganize our internal forces to resist the Superpowers, the U.S. in particular. We must do all we can to avoid any kind of pseudo revolutionary grandiloquent speeches which can have adverse affect on our efforts in mobilizing our own forces as well as our domestic resources. Unless we do our best, our country will be fragmented and the Superpowers will take us under their domination. If that should happen, it will be a calamity not only for us but for all the Muslims and the oppressed peoples who pin their hope on the outcome of our Islamic Revolution.

Now taking all the above-mentioned points into consideration we must approach the hostage crisis realistically. It is clearly evident that continuing to hold the hostages under the present conditions, will not push us farther than coming to an understanding with U.S. Imperialism, nor will it add anything more. What should we really do? I, with others, are in accord that the hostages should not be released unconditionally. This is really the general opinion which I subscribe to. Yet there is another group who wish to try the hostages. We are told that among the hostages there are spies numbering between 3 to 11 and the rest are regular staff or ordinary U.S. citizens who were at the Embassy to renew their passports. What kind of trial should we have for these people? A short trial? A trial with the participation of international observers? If we adopt a short trial and condemn them as spies, we will not be believed. The public opinion throughout the world will not accept our verdict and furthermore our own people will doubt such finding thus we lose our credibility. On the other hand if we adopt a trial based on international rules and regulations requiring documents, witnesses, lawyers and international observers, we have to wait a long time and face problems with big headaches. There is no doubt that our people have suffered for a long time under the U.S. influence and imperialistic domination. Our people have experienced it [the domination] and are still witnessing it even after the Revolution. But again if we decide to try the hostages according to the international court rules in order to establish individual guilt of the hostages, since the world public opinion has not experienced our suffering, our finding will not be acceptable. We do not have the necessary documents

because most U.S. original documents were destroyed during the first hours of the capture of the "Den of Spies" by the Muslim students. The documents which we have been able to capture, are not sufficient enough to prove the criminal activities of persons called as diplomats or staff of the diplomatic mission. Nevertheless, we have documents to prove U.S. crimes in Iran. Should some of the hostages be found guilty and later evidences show they were innocent, then we have to answer why such hostages were held more than nine or ten months. Who would be responsible to compensate them? As a general rule when a diplomat is caught red handed with spying documents, such individual is called a non-grata person and asked to leave the country. We do not have a case showing that a staff of a diplomatic mission has been found guilty of the charge of spying. This is the reason that our quarrel with the world will continue. Even if one U.S. spy is proved to be guilty and sent to our prison, there will be no change in the U.S. policy concerning our assets seized illegally. To the U.S. one single or fifty-two hostages will make no difference. That is, if we jail one single hostage on charges of spying or fifty-two, the United States' attitude will remain the same with regard to our assets.

There is also an argument stating that we should try them and then after their conviction, pardon them. This argument is faulty because people throughout the world know that we, right from the beginning had the purpose to convict the hostages and then pardon them. Such trial-scheme will not serve any good purpose and is of no value. If we are not ready to release those hostages who have not been found guilty, how then can we pardon those who have been engaged in spying activities? I am totally opposed to this idea of trial, conviction and pardon especially when pardon must be granted by the Imam (Khomeini). It is inappropriate of the Imam to issue such pardon when a hostage has been tried by the Iranian court and found guilty of spying charges. Yes, trial of hostages will not serve any good purpose. Therefore, the hostages should be held here and we should negotiate for their release. This plan should be the basis of our negotiation for the release of the hostages. We had the same kind of plan and condition when we demanded for the return of the deposed Shah. That demand does not exist now.

Another point to consider is this fact. We know that the Republican Party of the United States in order to win the presidential election is working hard to delay the solution of the hostages crisis until after the U.S. election. In the light of this fact, if the hostages issues is solved, during the coming four years we will be considered to have acted according to the desire of the U.S. Republican Party. Under these conditions nothing proves to be of interest of us and in fact we may face a harsher and more dangerous group than the present U.S. administration. We know that U.S. government is based on an imperialistic system. Democrats or Republicans are the same and their imperialistic system will not change. The only difference between the two party is the degree of their colonialistic policies in relations with other nations. We notice that the Republican Party's agreements are concluded more conveniently when they encounter a stronger power. After the World War such was the practice of the Superpowers-the Soviet Union.

It is of special interest to notice that some people suggest that the hostage crisis be settled a few months later. This suggestion must be pleasing to the ears of the Republican Party. But we must consider the economic

consequences of the hostage crisis if we let it drag on. A report from our Central Bank states that Iran's foreign reserves of 136 billion Tomans [equivalent at the black market rate to U.S. $8.5 billion] have been subject of two kinds of determinations, one by the order of President Carter and the other by the U.S. Courts in order to meet the demands of the American claimants. We have always tried to prevent such occurrence but the enemies of our Revolution saw that we should face the economic impacts. The amount of interests of our 136 billion Tomans ($8.5 billion) at the rate of 8 percent is two million dollars a day. So far we have lost 8 billion Tomans ($550 million). This amount is equal to our annual budget for reconstruction programs. In addition to this huge loss, we have paid extra for our imports which amounted to $2.5 billion. This purchase which we made from the wicked Imperialist had great economic impact on us all. We had to pay these additional prices to have them pass through other countries and handled by other companies rather than come to us directly from their original sources. Our whole industries have suffered enormously due to shortage of raw materials and spare parts. That in turn affected our domestic production. This situation made it difficult to provide job opportunities for our people and consequently the unemployment rate became very high. Maturity of major parts of our debts, which according to agreements previously made, should have been paid on an installment basis in several years, now by court order the debts must be made with accelerated payments. The hostages and their families have filed suits in the U.S. courts and claim hundreds of million dollars. We are faced with many problems and I want to reiterate that we should not release the hostages, unconditionally. This is our principle. In short, we have come to the conclusion that we should look for an opportunity for the release of the hostages. We should look both for our interest and an appropriate opportunity which will occur during the coming month. We should always remember our objective and the work needed to achieve our major interests. We should know the fact that the weaker we become due to depletion of our assets, the more stringent terms will be imposed on us by the enemy.

We should not compromise our principles or take a weak position in dealing with others. We should take the initiative and use the U.S. internal conflicts in our interest. At this time when the domestic conflicts and confusion are the order of the day in the United States and before the imperialist gets antidote to immunize against the venomous sting of our Islamic Revolution, we must take the initiative by altering our tactics. We should not give the enemy a chance to place us in a passive position which the principle of our Revolution can not accept. We are facing a long battle with the enemy. We are in a very sensitive and rather difficult course of negotiation with a party which is skillful with tricks.

When we discuss as to how to exploit the U.S. i al conflicts we mean that if the Republican Party wins they will not ha orry about elections for four years. Then the Rockefeller banks which frozen our assets will continue the existing policy and will never release our money and even create problems for banks (should they release our assets). The party [Republican] then will for a period of four years delay the xi ing matter (U.S. Iran crisis).

As to international reaction to the hostage taking and their confinement in particular, there is no country in the world which agrees with us. The

objection of countries have been raised both in private and in public. For instance, the International Court of Justice at the Hague where the judges from the Soviet Union, from the Soviet Satellite states as well as judges from Western countries and the Third World, all unanimously voted in favor of releasing the hostages. In the meantime there is almost no country in the world which has not condemned the U.S. aggression. However, no country in the world has accepted that hostage taking is a right response to the aggression of the Imperialist. Our argument and insistence on imperialistic aggression which led us to hostage taking, has been interpreted to mean that all the international laws must be changed; and all our diplomatic representatives must return home together with over one million Iranians throughout the world. Should that happen we will have the worries of their families and other matters affecting them. If taking hostages could stop the U.S. interference in the affairs of other countries, then simply a country would take a number of the U.S. diplomatic representatives as hostages and sign a non-intervention agreement. We should not insist on something which its continualtion makes no sense but concentrate on efforts which would protect and preserve our Revolution at the existing circumstances.

One other important factor which we must bear in mind is the fact that people in the West are very much influenced by the wave of publicity made over the hostage crisis. As a result, people voice their support for the policy of their government. Earlier, people showed sympathy toward us and our revolution and were asking their government to support our cause and the oppressed peoples of the Third World. But now our actions have caused them to support their government's policies.

Our Revolution has awakened the oppressed peoples of the world and has been crowned and considered as a most glorified revolution in the world. We should now be concerned that our action may not adversely affect the course of our Islamic movement. We should not provide weapons of publicity to our enemies to work against our Revolution and thus deceive the public opinion of the oppressed peoples throughout the world.

Now we face a basic question, that is, what will the U.S. do with us after the release of hostages? Will the U.S. leave us alone? No, the U.S. will not leave us alone because this is the nature of Imperialism and the nature of being a Superpower. No, neither the U.S. nor the Soviet Union or their Satellites will leave us alone. This is a fact, and it is as clear as light of day. Another question is why we must be concerned with the release of the hostages. Releasing the hostages will deny Imperialism of any excuse for direct interference in our affairs. When we are free of foreign interference the countries which are ready to establish favorable relations with us can do so without being under pressure. In turn this will help us to stand firm against the U.S. pressure. If we can manage to establish good relations from a position of strength with the Third World countries as well as the East and West European countries which are the Satellites of the Superpowers, then we need not have any relations with the Superpowers. Under such conditions, our position will be enhanced and then we can maneuver against the U.S. and the Soviet policies. Ending the crisis of the hostages will help us to embark on a new policy in the interest of our Revolution and in the interest of the revolutionary peoples throughout the world. This definite course is in compliance with our Revolution and it is our obligation to follow it.

There is an argument that since we have not paid such huge salaries to U.S. advisors since the start of our Revolution, and consequently have saved considerable amounts by not spending on arms (Military hardwares ordered by Shah and later canceled by the Khomeini regime) as well as on buying luxury items, our economic loses were not overwhelming. This argument is quite true and we take a note of it. But it has no relation with the hostage taking issue. It has nothing to do with avoiding spending huge amounts or being under U.S. pressure and becoming practically as hostage to Americans with our hands tied, and being exposed to indignities.

I should repeat it again that right from the beginning of the hostage crisis we placed ourselves at a great disadvantageous position, and in fact suffered in many ways. But we also gained certain advantages that is, we solidified the foundation of the Islamic Republic and this has helped us to fight against the U.S. policies and pressure. But after the run-off elections of our House of Representatives, continuing to hold the hostages raises a big question. In fact some people say it is better for our new leaders to avoid dealing with the hostage issue and get on with other more pressing affairs than the hostage issue. Objection to this argument is that it will be in line with the policy of the Republican Party leaders and supporters of Rockefeller and Reagan. If we leave this issue unsolved, our new government will be constantly under pressure and may not be able to succeed in its affairs. In the light of this consideration it is better to settle this crisis. It is not proper to elect a government and then tie its hands and guarantee its failure at a critical time. For the reasons mentioned, I strongly believe that the Islamic House of representatives should take measures to solve the said issue [hostage issue]. This will help safeguard the dignity of the Islamic House of Representatives [Majlis].

The Soviet Imperialists and their supporters in Iran may try to interpret my letter as being an indication or evidence of a pro-U.S. position, if so let them answer the following questions:

Why the Soviet Union's judge voted in favor of releasing the hostages? and why the Soviet Union condemned hostage taking? Why hostage taking was not supported by pro-Soviet supporters and this issue not reflected in their official newspapers? And why the pro-Soviet supporters have not protested when the Soviet Union officially condemned hostage taking in Iran?

These (pro-Soviet supporters) are protesting against the Islamic officials keeping in mind their own special interests and are inspired by International Communism. The publicity of the Communist inspired elements should not force us to compromise the principles of our Islamic community nor even the success or defeat of Islam in our time.

My dear brothers and sisters, allow me to state the last word. The situation has reached to a critical point and it is my duty to convey to you my message. Our vigilant people are expressing hostility against the criminal Imperialists led by the U.S. plunderers. They are shouting the slogan "Death to America." Our people are eagerly seeking further knowledge and wishing to destroy a power which is based on tyranny, corruption and aggression. They are eager to put to end a power based on exploitation. To succeed in this mission,

we have to proceed with full knowledge and clear facts. Our actions should be carried out with wisdom. We should bear in mind that the "Great Satan" is a master of satanic tactics. Knowing this fact, your attention should not be diverted from the full strength of our Revolution to political rhetorics and then fall into the satanic trap. The bitter experiences of the past are still with us like wounds. Such wounds cannot be removed by sweet talks and rhetorics alone. If the "Great Satan" thinks that our lips alone are saying "Death to America" but our eyes and hearts mean something else, then let them continue their rhetorics. Such tactics were used in other parts of the world, haven't they? We must be most careful, think twice and use wisdom when we encounter the Imperialist. We must know our strong and weak points and try to strengthen our weak points. It is not to our advantage to know only one side of an event, and thus increase the intensity of the issue we face. These are the points the Imperialist are looking for and they have always took advantage of our internal differences and benefitted from them. Imperialists in general and the U.S. in particular have utilized the above-mentioned domestic differences to bring the county under their domination. As the Holy Qur'an says:

"Against them make ready your strength to the utmost of your power, including steeds of war, to strike into the (hearts of) the enemies of God and your enemies, and others besides whom you may not know, but whom God doth know. Whatever ye shall spend in the Cause of God, shall be repaid unto you, you shall not be treated unjustly." The Holy Qur'an Chapter 8 Verse 60. Our duty then, is to fight the enemies of God and people. We should mobilize and organize all our resources for the above purpose rather than just depend on rhetorics which destroy our forces and push us to further isolation. We must obtain strength by liberating ourselves from dis-belief and infidelity. Our strength must be drawn from God and by His help become self-sufficient. We must overcome lethargy and work hard and produce more that is, faith and good work; always recognizing the value of action. I must affirm that we do not sanction political gimmickeries. We believe in wisdom and sagacious judgment which are the hallmarks of a believer. Our nation has experienced the status of a hostage and suffered for years. We must not now compromise and sell the hostages for pseudo-revolutionary rhetorics. We have paid a high price thus far. We must be most careful and direct our efforts towards our interests and benefits. In this great conflict we must rely on God who will extend His help to us eventually. However under the present conditions and mis-interpretations of things as well as the poor judgments practiced, calumnies will be raised against our character and reputation. My brothers and sisters one may gain popularity in the absence of God but such popularity is transitory. It does not mean that such persons were faithful to God nor an indication that the possessors of popularity have sought and obtained the approval of God. Faithful persons gaining popularity from God do not expect to be popular in the eyes of men. I know the fact that by sending this letter to the House of representatives I will receive unfavorable responses, insults and accusations. I have had such denunciations thrown at me before, but since I am a disciple of the Imam (Khomeini) I should tell the truth regardless

of the consequences and I am prepared for martyrdom whether for political or other reasons.

Sadegh Ghotbzadeh
Minister of Foreign Affairs of the
Islamic Republic of Iran

Dated 27/5/1359
(August 18, 1980)

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

SELF COPY

Hamilton Jordan Jokes Carter Lab

A STRATEGIC APPROACH TO THE 1980 PRESIDENTIAL ELECTION

At the same time that the regular campaign is put together (Presidential campaign schedule...media buy...targetting states, issues and groups...organization...attacks, etc.), consideration is needed on how to dominate the larger public setting, especially the evening news programs and front pages, with significant actual developments which only the Presidency could bring about.

In effect, marshall events some from Washington, some from abroad, some out of the private U.S. sector - that show action and contrast with the talk of the campaigns. That is the great advantage which the Carter administration has not also available to Reagan or Anderson. It is also the only way to move beyond the complaints of much of the American public about the frustrations of the last several years and the general dissatisfaction with politics and government.

What is needed is to 'seed' a number of situations - domestic and abroad - to maximize the possibility an adequate portion of them will materialize with major, helpful, actual news developments later this autumn. Seeding various situations would require the close attention of a few key individual who are not only substantive but politically attuned, with each to be responsible for personally and very privately planning the contacts, premises and follow-through for several genuinely important possible major developments. Enough situations have to be seeded to take into account the realistic likelihood that well less than a majority will bear fruit in the short time and difficult circumstances ahead. Attached is a list of some of the possible situations - merely a rough, initial 'wish list.'

The critical difference in the resources available to the Carter campaign as contrasted with the other two is the power of the Presidency to the extent it can be actively brought to bear. That is even more important this year than in the past for a number of reasons:

a. The public seems to be so turned off to the political process and sceptical of the promises, speeches, campaigns and political hyperbole that what is done becomes vastly more impactful than what is said.

b. The increasing dominance of politics by the media.

c. Action will reinforce the powerful argument against Reagan (and Anderson) that they lack experience; and the dangers and difficulties at hand for the country do not allow a couple of years for maturing - results are needed now.

d. The Carter campaign cannot credibly take the approach of 1976 as the 'outsider' and will be measured against the reality of having the office. Equally, the most effective way to neutralize Reagan attacks and public dissatisfaction is to demonstrate in the key period ahead the Administration has everything together in actual practice.

App. 0794

LTM
4 Pages

Xerox Copy

Looking at the validity of the suggested approach in terms of other recent Presidential elections, Ford failed to make real use of the office in the autumn of '76 concentrated heavily on the campaign side - and lost. Nixon fine-tuned the economy in '72 with Arthur Burns, had Kissinger travelling abroad on major matters brought to a crucial stage so as to dwarf domestic matters - and won handsomely. LBJ was reluctant to use the Presidency to help Humphrey until very late, too late, in '68 - and contributed to Humphrey's narrow loss. LBJ masterfully marshalled the office, Congress and everything for himself in '64, insisting he was too busy working to campaign (then also transparently campaigning aggressively) and won big. 1960 had two non-incumbents running, and Ike largely husbanded his reputation above the fray, though he had fully used the office and stepped into the Suez crisis at the height of the '56 campaign, when he won. The effectiveness of the campaign itself is critically important, of course; but the historical record suggests the relevance - and in fact, the primacy a number of times - of the main re-election effort being through the Presidency rather than the political campaign.

Implementing this approach could be in one-to-one discussions or perhaps, to have simplifying, very private coordination as the following:

a. Economic brainstorming and implementing group (in connection with all this: Jordan, Watson, Eisenstadt, Shultz and G. William Miller.

b. Domestic Other group: Jordan, Watson, Eisenstadt Harris, Marshall, Andris and Mondale.

c. National Security and International group: Mondale, Muskie, Brown, Brzezinski and Jordan.

(Underlined name might take initiative with group on agenda, follow through and anything else.)

Timing: It is all-important that if the suggested approach is to be taken, it be activated immediately. For July and the first half of August have to be used to seed such situations as may be able to respond in September and October with favorable major developments. There will, of course, likely be separate major developments, even possibly a crisis abroad, for which the handling by the White House could be all-determining as to the election. But targets of opportunity may or may not materialize. What is needed is to assure significant, impactful, newslead developments which will dramatize and hopefully dominate the campaign period and the election itself for the President.

- - - -

A. International

Hostages in Iran freed - Not likely. But continue or step up key private contacts in combination with low profile U.S. handling of the problem. Whatever defensive or genuinely felt need exists to discuss the problem publicly would seem to have small benefit politically or otherwise compared to the hostages being released in September or October which would be a tremendously important event for impacting the national mood and perception of the Administration. Even with Giscard d'Estang's present maverick independence with relation to the U.S., perhaps someone very close to the President - as Mr. Kirbo - might be able to take a quiet trip to Paris, see d'Estang and get a special French effort underway (with benefits for him as well as the President) on this problem. Perhaps all that is being said here is one more major behind-the-scenes effort...or more use of the personal kind of diplomacy which Franklin Roosevelt did so well around the 1940 election and into World War II, rather than the regular channels.

Japan agree voluntarily to limit car imports at least for six or nine months. President is undoubtedly, in effect, seeding this possibility on his trip there. If necessary, the limitation could be urged in return for a commitment to strongly resist protectionism over the course of the next several years. Similarly on that trip, the meeting with the mainland Chinese premier should be able to dramatize the ties with the U.S. and, implicitly, point up Reagan's weakness, danger and naivete with his Formosan position. The trip fully indicates the real possibilities for handling political problems through the Presidency itself.

OPEC Oct. 1 price rise be put off through not only Saudi but perhaps Algerian and even Iraqi contacts. Maybe Algeria would be helpful if the current impasse over El Paso gas imports can be worked out. Iraq might be responsive with help on stepping up its already expanding interest in U.S. imports. The world oil surplus shoud also facilitate this objective.

A tangible security step for Israel as, only illustrative, a step toward U.S. Mediterranean fleet facility at Haifa - and if necessary, something symbolic later at Alexandria. Or more than the four F-16 deliveries.

Sadat step up U.S. TV appearances. Reminds of Camp David glasses. An all-out Carter fan. Popular with the U.S. public. Jewish community cannot really object; a considerable portion of it is even privately admiring.

Major step with Mexico for Hispanics.

Major economic development step with Zimbabwe as small incremental step with black community.

Indian Ocean fleet make first shore contact, or at least a visual. Fly the colors. Show strength and moving ahead.

Major Soviet troop reduction in Afghanistan - perhaps pie-in-the-sky hope. But if the President could privately signal through a key person - likely Kirbo again an all-out commitment to get SALT through next year (the President wants that anyway) and an early meeting with the Soviet leader (he must want that for history before his health and Kremlin jockeying preclude it), perhaps something major could be accomplished. The Soviets have a flexibility with their system. Blockbuster developments like this possibility are needed for this autumn. No one should be thinking small at least at the speculative and conceptual level.

App. 0796

Xerox Sales Copy

The international situations which might be seeded are almost endless. But more than reliance on conventional channels or only substantive people would be required. Kirbo and one or two others known to be very close to the President might best be used in consultation with Muskie and Brzezinski. But this will have to be undertaken vigorously in July and August in order for any benefits to flow back in September and October.

B. Economic

Stretch out federal spending to avoid big deficit projection announced just about at election time. Be sure federal agencies do not rush to use their unexpended funds as the current fiscal year goes into the last quarter.

Stimulate industrial production if at all possible right away to ease recession, slow unemployment rise, etc. Nixon was helped more by Arthur Burns in 1972 than any other factor, including Kissinger's high-visibility travel that set up and McGovern's ineptness. Speeding up Defense Department procurement should help economically as well as show preparedness strength and would not have the main financial consequences until next year. But can the bureaucracy be cut through?

Inner-city black projects greatly stepped up. Special project grants targetted for the key states in the campaign, with early announcements - better in August and early September than October, when all domestic matters will be discounted as political.

Oil import figures down for August and September if at all possible. Taking credit now, as Charles Duncan's July 6th statement, is helpful at the moment; but if imports climb closer to the campaign period, all the bad announcements will come at a critical political time.

Dollar held comparatively firm in September and October through stepped up Treasury support.

Housing starts stimulated to show feed back in figures released in October.

Double digit inflation down to single digit on some important index, for announcement in late September or October.

Etc. Again, all this is simply illustrative of the lines of thinking that should be explored now for substantive and news impact over the course of the coming 120 days.

THE MAIN POINT WITH ALL OF THIS IS THAT HIGH POINTS OF THE ADMINISTRATION'S WORK HAVE TO BE CONSCIOUSLY UNDERTAKEN BY A FEW KEY PEOPLE WITH POLITICAL ACUTENESS. IT CANNOT BE REGULARIZED OR LEFT TO JUST A LITTLE MORE EMPHASIS. THAT WILL NOT HAVE THE NECESSARY EFFECT WITHIN THE TIME AND UNDER THE CIRCUMSTANCES AT HAND. MOST IMPORTANT, THIS CHANNEL OF EFFORT CAN ACHIEVE FAR MORE IN A STRATEGIC SENSE FOR THE CAMPAIGN THAN ALL THE USUAL TACTICAL EFFORTS BY THE POLITICAL OPERATION ITSELF.

Photocopied at the Ronald Reagan Library

cc. Ed Meese

To: Dick Wirthlin

From: Bob Gray

WHY NOT UNTIL NOW?

Even one casually aware of politics in Iran and the craftiness of the Ayatollah should not be surprised if the hostages are released in time to boost Jimmy Carter's bid for re-election.

Kohomeni can cast the very first vote in the November 4 election by manipulating Carter yet again. He knows very well that he can get away with humiliating, extorting and intimidating Jimmy Carter more than any other president of the United States in this century would have allowed. Now he knows he has leveraged Carter into such a vulnerable position he can get a much sweeter ransom--paid at the expense of America's critical Persian Gulf strategic position. The voters have rejected Carter's record, so he must have the Ayatollah's help.

Up to this point, Carter has been able to play the hostages with nothing more than some Strauss/Jordan sleight-of-hand maneuvers. In fact, the rise and fall of hope for the release of the hostages exactly coincides with Carter's standings in the polls and the landmark primaries throughout the campaign year. He never had to actually produce the hostages before November 4; he could rely upon presidential credibility to bluff his way.

IOWA--A "must win" show of early strength was preceded by one day with this hostage maneuver: "...my belief is that many of the responsible officials in Iran now see that this major threat to Iran's security and the peace of Iran is becoming paramount and that there will be an additional effort on their part to

WHORM Subject File Code: CO047
000858

App. 0798

Photocopied at the Ronald Reagan Library

MAINE--Threatened by Ted Kennedy in the crucial New England domino primaries, Carter issued this hopeful statement on the hostages two days before: "I hope that we will see some light at the end of that tunnel before too long." Four days prior to the Maine caucuses he had agreed to delay sanctions against Iran. He won the caucuses on February 6 after a late rally of support.

NEW HAMPSHIRE --New Hampshire, the bellweather primary, was preceded by just two days by another statement reminding voters the fate of the hostages was in his hands: "I think progress is being made." He was referring to the U.N. Commission's arrival in Tehran.

WISCONSIN--Carter had been told that if Wisconsin fell to Kennedy Pennsylvania was sure to follow (it did anyway, narrowly). In a desperate attempt to recover, the White House resorted to one of the most unorthodox media manipulations of the Carter presidency. The night before the primary, Carter personally called every network anchorman to give them an advance notice of a statement he would issue the very morning of the primary: "This morning the President of Iran has announced the hostages' control would be transferred to the government of Iran, which we consider to be a positive step." Of course, the event was unimportant: the hostages remained captive.

App. 0799

[redacted]470380

000859

Throughout the primaries Carter used the hostage situation to dodge a debate challenge with Ted Kennedy. He hid in the rose

Photocopied at the Ronald Reagan Library

Carter's lowest standing in the polls--showing the public felt his handling of the crisis was poor--lead to his most brazen and ill-fated maneuver: the Desert Classic rescue raid which was ineptly executed. Carter's standing in the polls soared, despite the fiasco.

Carter retreated after the raid failed. He said he could come out of the Rose Garden because the crisis was manageable. He said it was time for "quiet diplomacy"--meaning he was utterly helpless.

However, by September he was back in trouble again in the polls. He attempted to recoup with his celebrated but discredited "mean" attacks.

When those attacks proved counter-productive, he went back to his one sure ace, the hostages. For weeks the press and public have been teased mercilessly with news breakthroughs and curious "leaks". The negotiations for the release of the hostages was being done "in public" not through "quite diplomacy". The see-saw news has been coincidental to Carter's gradual recovery in the polls.

Jimmy Carter's inept handling of the economy has left him grasping at straws...ready to accept a deal he essentially found unacceptable earlier. Why not until now... until the threshold of the November 4 election? It is Jimmy Carter's only chance of winning.

Photocopied at the Ronald Reagan Library

Reagan Bush Committee

memorandum

26 October 1980

TO: Ed Meese

FROM: Bob Garrick

This is from the "aircraft parts" package.

This is public record and can be used as we see fit. Iran has paid for all this stuff - they hold title.

x x x

522

[redacted]470360 163

App. 0801

000865

Photocopied at the Ronald Reagan Library

Reagan & Bush

Reagan Bush Committee

901 South Highland Street, Arlington, Virginia 22204 (703) 685-1400

MUNITIONS PORTION OF THE
IRANIAN MILITARY EQUIPMENT
HELD BY THE U.S. GOVERNMENT

Note that some of the following material is located in U.S. Government storage while the rest of it is not. All of it, however, can be shipped quickly.

AIR FORCE

CBU bomb units: $26 Million
Electronic Counter-Measure (ECM) pods: $12.6 Million
Aircraft spares (F-4, C-130): $24 Million

ARMY

Munitions: $90 Million
- includes: 8500 rounds of Dragon anti-tank missiles
60,000 rounds of 90 mm. tank ammunition
86,000 rounds of 155 mm. projectiles
77,000 rounds of 105 mm. projectiles
28,000 land mines
10,000 rounds of 3.5" rockets
- also: 1 (partial) battery of IHAWK (Improved HAWK) air defense system
3 air defense radar

NAVY

(A) The following material is titled to Iran and has not been delivered. Iran has indicated in the past year that it did not desire to take possession of the material and that it should be sold by the U.S. to other purchasers. The U.S., however, has not found other purchasers for the material listed below.

Presumably Iran could change its intention and request to take possession. While recognizing Iran's ownership of the material, the U.S. could try to initiate legal proceedings to slow delievery if it so desired. On the other hand, the U.S. could choose to forego such legal proceedings and make delivery immediately.

To reiterate, however, there seems to be no doubt that Iran holds title to the following material:

150 Phoenix missiles (for the F-14)
108 Harpoon missiles
181 Mark-46 torpedoes
1 F-14 aircraft
1 AH-1 cobra helicopter

App. 0802

[redacted]470361

(B) The following Navy items are titled to Iran but have not been delivered. Iran has never indicated that it did not want to take possession, as it did in the case of the other Navy material listed above.

000866

Photocopied at the Ronald Reagan Library

Reagan & Bush

Reagan Bush Committee

[illegible] South Highland Street, Arlington, Virginia 22204 (703) 685-5400

$110 Million for spare parts
- includes: $100 Million for F-14 spares
  $6 Million for AH-1 Cobra helicopter spares
  $1.3 Million for RH-53 mine-laying helicopter spares
  $0.8 Million for P-3 aircraft spares
  $0.2 Million for ship spares
  $1.7 Million for Harpoon missile spares

App. 0803

[redacted]470362
000867

Reagan & Bush

Reagan Bush Committee

901 South Highland Street Arlington Virginia [illegible]

R-193

24 October 1980

CONFIDENTIAL

MEMORANDUM FOR: BILL CASEY
DEPUTY DIRECTORS
JIM BAKER
ED GRAY
RICHARD ALLEN
TONY DOLAN
STEF HALPER
PIGH WILLIAMSON

FROM: ED MEESE

SUBJECT: Special Assignment

Effective immediately Bob Garrick is assigned a special responsibility for coordinating Campaign Headquarters activities relating to our response to the hostage situation. He can be reached at extension [illegible] and will be available at all times either through his office or through the Operations Center (extension 3720).

Upon any change in situation, Bob will notify all of the above addressees so that we can keep key members of the staff advised of the situation at all times. Therefore, it would be appreciated if you will keep the Operations Center notified of your location at all times that you are not in the Headquarters.

App. 0804

Reagan & Bush

Reagan Bush Committee

901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

F-6

D-194

24 October 1980

TO SPAN A

MEMORANDUM FOR: POLICY DEVELOPMENT & RESEARCH DIVISION

FROM: ED MEESE

SUBJECT: Temporary Assignments

During the next several days, Bob Garrick will be working on a special project for me. Jim Brady is, therefore, assigned as acting Director of Policy Development and Research and will carry out all of the functions normally handled by Bob.

Bob Garrick can continue to be reached at extension 3701. Jim's phone number is extension 3718. This arrangement will continue until further notice.

Please advise the members of your section concerning these assignments.

cc: Darrell Trent
Martin Anderson
Ed Gray
Richard Allen
Ken Khachigian
Stef Halper
Tony Dolan
Bill Gavin
John McClaughery
Operations Center
Answer Desk

Photocopied at the Ronald Reagan Library

Reagan & Bush

Reagan Bush Committee
901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

23 October 1980

TO: Ed Meese

FROM: Bob Garrick

FYI -Bill Casey asked for a list of the hostages. This is what I have been able to come up with at present. Hope to have more details before the end of the day. Don't know what Bill has in mind.

x x x

App. 0806

001271

Photocopied at the Ronald Reagan Library

US Hostages Held in Iran

Ahern, Thomas Leo, Jr. Fond du Lac, Wisconsin
Belk, William E., West Columbia, South Carolina
Blucker, Robert Olaf, Little Rock, Arkansas
Cooke, Donald, Ellicot City, Md.
Daugherty, William, Tulsa, Oklahoma
Engelmann, Robert, Lt. Commander, Hurst, Texas
Gallegos, William, Pueblo, Colorado
German, Bruce, Kensington, Md.
Gillette, Dwane, Lancaster, Pa
Golacinski, Allen Bruce,
Graves, John, Reston, Va
Hall, Joseph M., Bend, Oregon
Hermening, Kevin, Oak Creek, Wisconsin
Hohman, Donald Robert Jr., Sacramento, California
Holland, Leland, Col. Scales Mound, Illinois
Howland, Michael,
Jones, Charles, Detroit, Michigan
Kalp, Malcolm, Tulsa, Oklahoma
Kennedy, Moorehead C., Jr
Keough, William F. Jr, Boston, Mass
Kvitley, Steven William, Little Rock, Arkansas
Koob, Kathryn, L. Jubilee, Iowa
Kupke, Frederick Lee, Neers, Oklahoma
Laingen, Lowell Bruce, Odin, Minnesota
Lauterbach. Steven, Dayton, Ohio
Lee, Gary Earl, New York, New York
Lewis, Paul Edward, Homer, Illinois
Limbert, John William Jr
Lopez, James Michael, Phoneix, Arizona
McKeel, Johnny Jr. Balch Springs, Texas
Metrinko, Michael John, Olyphant, Pa.
Miele, Jerry L. Mt Pleasant, Pa
Moeller, Michael E. Caruthersville, Missouri
Moore, Bert C. Mt Vernon, Ohio
Moorefield, Richard, San Diego, California
Needham, Paul M. Bellevue, Nebraska
Ode, Robert C., Plano, Illinois
Persinger, Gregory A., Seaford, Delaware
Plotkin, Jerry, Shermann Oaks, California
Ragen, Regis, Johnstown, Pa
Roder, David, White Fish Bay, Wisconsin
Rosen, Barry, Brooklyn, New York
Royer, William Blackburn, Jr. Houston, Texas
Schaeffer, Thomas E.
Scott, Charles W., Philadelphia, Pa.
Sharer, Donald A., Chicago, Illinois
Sickmann, Rodney W., Krakow, Missouri
Subic, Joseph Jr. Bedford, Michigan
Swift, Elizabeth Ann
Tomseth, Victor L., Springfield, Oregon
Ward, Philip R.
+Dwyer, Catherine (free lance journalist)

App. 0807

470640

001272

62 366 1403

Photocopied at the Ronald Reagan Library

OCT 27 1980

TO Bob Garrick —

For what it's worth dept =

Pro-Carter: Mrs. Keogh (prez of "FLAG")
Mrs. Kennedy (press contact)

Anti-Carter: Penny Langer (leader of anti-Flag group)
Son is Midshipman + outspoken critic of Carter

Phylis Gallenti (spelling?)
Pres Natl League of Families
works for RR in Maryland

LISA Muller
wife of USMC accused of rape
real fighter, anti-State Dept

MRS. MOOREHOUSE
Stood up in mtg + blasted Carter

Michelle Metrinko (Rollins?)
Sister of hostage?
is on R/R Environmental Task Force

Mr. Cook (on TV. from Texas)

Father in Northern Ill
(on TV Friday night)

B+

App. 0808

470395

000025

November 1, 1980
Arlington, Virginia

MEMORANDUM FOR: WILLIAM CASEY

FROM: ED GRAY

Pursuant to your request, attached are my findings regarding the efforts of Jack Kendrick and John Greenhalgh to obtain absentee ballots for the American hostages in Iran.

App. 0809

Rappleyea

Monday, October 27

Jack Kendrick, town clerk, Brookline, Mass., contacted Illard ~~Rappeiyea~~, secretary, Fairfax County Electoral Board, Virginia.

Kendrick told Rappleyea (according to Rappleyea) that he was contacting local election officials in various states in an effort to get the officials to fly to Iran with absentee ballots so that the hostages could vote in the Nov. 4 election. Kendrick said he was trying to get permission from the State Department but hadn't been able at that time to receive State's concurrence. Rappolyea asked who would pay for the transportation to and from Iran. Kendrick said that because the federal government didn't want to get directly involved in this, perhaps some (unnamed) businessmen could help pick up the tab. Kendrick also said that the government wouldn't give him any information about the hostages (names, addresses in the U. S., etc.)

Friday, October 31

At approximately 2:30 P.M., Gary Greenhalgh, director the FEC Clearing House in Washington, called Joan Mahan, secretary of the Virginia State Board of Elections. Joan was on the telephone at the time so her assistant took Greenhalgh's call and gave his message to Joan. The message was that he wanted the State Board of Elections to help facilitate achieving an absentee ballot for hostage Robert Ode who resided in Fairfax County who had a P. O. Box in Falls Church.

Mahan said that Greenhalgh also had asked Rappleyea's office for absentee ballots for five other hostages who he understood also lived in Fairfax County (Thomas L. Ahern-McLean area; John Graves-Reston area; Catherine L. Kolb, Gary Earl Lee and Thomas Schaeffer. A search of relevant records by Rappleyea' office could not turn up any information on the five.)

Rappleyea was unwilling to turn over to Kendrick or Greenhalgh an absentee ballot for Ode without clearance from the State of Virginia. Mahan contacted the Virginia attorney general and he gave permission to have the Ode absentee ballot given to Kendrick.

Mahan informed Greenhalgh's secretary at 4 P.M. that she had given permission for the absentee ballot to be released. Greenhalg was said to have gone to the airport (with the ballot) with Kendrick who was catching a 7:20 P. M. plane to Frankfurt, Germany The ballot had been released to Greenhalgh by Rappleyea's office on Mahan's authority.

(On October 30, Greenhalgh talked with Rappleyea. Greenhalgh told him the Federal Government didn't want any agency people to get directly involved (people at the FEC) but he he, Greenhalgh was assisting Kendrick both in his capacity as a sympathic observer and in his official capacity as an expediter of the

Kendrick effort. On this same date, Greenhalgh, in his effort to get Rappleyea to release the Ode absentee ballot, and the ballots of the other five hostages referred to earlier, could not provide information to the Fairfax County Electoral Board other than the names and apparent locations of all six hostages thought to be from the County. In some instances, Greenhalgh also was able to provide Rappleyea with the name of the spouse of the hostages. Greenhalgh said that on Kendrick's arrival in Frankfurt, he would drive to Weisbaden to await the return of the hostages there. Greenhalgh asked Rappleyea or one of the other two members of the Fairfax County Electoral Board to go to Germany with Kendrick, but, after checking, Rappleyea said no board member would be able to go. The reason Greenhalgh made this request is because Virginia state law requires that all absentee ballots be back in the state by the end of voting on the day of election. The board member could serve as a witness of the receipt of the absentee ballot at Weisbaden and return the ballot to Virginia by the cutoff time November 4. The only other alternative would be for Kendrick to bring Ode back to Fairfax County by election day for the ballot to be counted.)

Friday, October 31

I called Greenhalgh in his home in Virginia at approximately 9:40 P. M. I posed as one Dick Sullivan with the AP. I told him the Washington bureau had gotten a report on the activities of both he, Greenhalgh and Kendrick, and I wanted him to tell me about it. Greenhalgh, without reluctance, said that Kendrick was associated with a hostage family in Brookline, Mass., and that he, Kendrick, had taken it upon himself to contack local officials in 21 or 22 states to try to obtain absentee ballots for hostages, but that Kendrick had run into difficulties. Kendrick then called, or was told to call by someone, Greenhalgh at the FEC who might be able to help expedite solutions to these problems. Greenhalgh said he, while not reluctant to assist in this noble undertaking, did recognize that the impression might be left in the minds of some that this would be seen as some sort of federal involvement in the effort and that it, therefore, might be miscontrued. Nevertheless, Greenhalgh told me he decided to do what he could to try to help Kendrick.

I asked Greenhalgh who picked up the cost of the ticket to Germany for Kendrick. Greenhalgh said they split the cost out of their own funds. Greenhalgh said he had come to feel rather strongly in support of what Kendrick was trying to do and this was the reason he picked up half the cost of the ticket out of his own pocket.

Please do not attribute my name or the Reagan-Bush Committee to my surreptitious call (posing as Dick Sullivan of the AP) to Greenhalgh.

One final thing, in this "Dick Sullivan" call, Greenhalgh told me he had picked up campaign material from the Anderson, Carter and Reagan campaigns which Kendrick was carrying with him to Weisbaden to give to the hostage(s).

450928

Photocopied at the Ronald Reagan Library

TO: Marty Anderson, Ken Khachigian, Lyn Nofziger, Mike Deaver

FROM: Bob Garrick

Found Garrick 2 Nov 9:15 AM EST

Monday, October 27

Jack Kendrick, town clerk, Brookline, Mass., contacted Illard Rappleyea, secretary, Fairfax County Electoral Board, Virginia.

Kendrick told Rappleyea (according to Rappleyea) that he was contacting local election officials in various states in an effort to get the officials to fly to Iran with absentee ballots so that the hostages could vote in the Nov. 4 election. Kendrick said he was trying to get permission from the State Department but hadn't been able at that time to receive State's concurrence. Rappleyea asked who would pay for the transportation to and from Iran. Kendrick said that because the federal government didn't want to get directly involved in this, perhaps some (unnamed) businessmen could help pick up the tab. Kendrick also said that the government wouldn't give him any information about the hostages (names, addresses in the U. S., etc.)

Friday, October 31

At approximately 2:30 P.M., Gary Greenhalgh, director the FEC Clearing House in Washington, called Joan Mahan, secretary of the Virginia State Board of Elections. Joan was on the telephone at the time so her assistant took Greenhalgh's call and gave his message to Joan. The message was that he wanted the State Board of Elections to help facilitate achieving an absentee ballot for hostage Robert Ode who resided in Fairfax County who had a P. O. Box in Falls Church.

Mahan said that Greenhalgh also had asked Rappleyea's office for absentee ballots for five other hostages who he understood also lived in Fairfax County (Thomas L. Ahern-McLean area; John Graves-Reston area; Catherine L. Koob, Gary Earl Lee and Thomas Schaeffer. A search of relevant records by Rappleyea' office could not turn up any information on the five.)

Rappleyea was unwilling to turn over to Kendrick or Greenhalgh an absentee ballot for Ode without clearance from the State of Virginia. Mahan contacted the Virginia attorney general and he gave permission to have the Ode absentee ballot given to Kendrick.

Mahan informed Greenhalgh's secretary at 4 P.M. that she had given permission for the absentee ballot to be released. Greenha was said to have gone to the airport (with the ballot) with Kendrick who was catching a 7:20 P. M. plane to Frankfurt, German The ballot had been released to Greenhalgh by Rappleyea's office on Mahan's authority.

(On October 30, Greenhalgh talked with Rappleyea. Greenhalgh told him the Federal Government didn't want any agency people to get directly involved (people at the FEC) but he he, Greenhalgh was assisting Kendrick both in his capacity as a sympathic observer and in his official capacity as an expediter of the

Photocopied at the Ronald Reagan Library

Kendrick effort. On this same date, Greenhalgh, in his effort to get Rappleyea to release the Ode absentee ballot, and the ballots of the other five hostages referred to earlier, could not provide information to the Fairfax County Electoral Board other than the names and apparent locations of all six hostages thought to be from the County. In some instances, Greenhalgh also was able to provide Rappleyea with the name of the spouse of the hostages. Greenhalgh said that on Kendrick's arrival in Frankfurt, he would drive to Weisbaden to await the return of the hostages there. Greenhalgh asked Rappleyea or one of the other two members of the Fairfax County Electoral Board to go to Germany with Kendrick, but, after checking, Rappleyea said no board member would be able to go. The reason Greenhalgh made this request is because Virginia state law requires that all absentee ballots be back in the state by the end of voting on the day of election. The board member could serve as a witness of the receipt of the absentee ballot at Weisbaden and return the ballot to Virginia by the cutoff time November 4. The only other alternative would be for Kendrick to bring Ode back to Fairfax County by election day for the ballot to be counted.)

Friday, October 31

I called Greenhalgh in his home in Virginia at approximately 9:40 P. M. I posed as one Dick Sullivan with the AP. I told him the Washington bureau had gotten a report on the activities of both he, Greenhalgh and Kendrick, and I wanted him to tell me about it. Greenhalgh, without reluctance, said that Kendrick was associated with a hostage family in Brookline, Mass., and that he, Kendrick, had taken it upon himself to contack local officials in 21 or 22 states to try to obtain absentee ballots for hostages, but that Kendrick had run into difficulties. Kendrick then called, or was told to call by someone, Greenhalgh at the FEC who might be able to help expedite solutions to these problems. Greenhalgh said he, while not reluctant to assist in this noble undertaking, did recognize that the impression might be left in the minds of some that this would be seen as some sort of federal involvement in the effort and that it, therefore, might be miscontrued. Nevertheless, Greenhalgh told me he decided to do what he could to try to help Kendrick.

I asked Greenhalgh who picked up the cost of the ticket to Germany for Kendrick. Greenhalgh said they split the cost out of their own funds. Greenhalgh said he had come to feel rather strongly in support of what Kendrick was trying to do and this was the reason he picked up half the cost of the ticket out of his own pocket.

Please do not attribute my name or the Reagan-Bush Committee to my surreptitious call (posing as Dick Sullivan of the AP) to Greenhalgh.

One final thing, in this "Dick Sullivan" call, Greenhalgh told me he had picked up campaign material from the Anderson, Carter and Reagan campaigns which Kendrick was carrying with him to Weisbaden to give to the hostage(s).

THE OPPOSITION CAMPAIGN

SOME PROPOSALS

ANTHONY R. DOLAN

AUG, 4, 1980

Photocopied at the Ronald Reagan Library

I. THEIR OPPOSITION CAMPAIGN

A. Some Observations

1. Carter's Views On Negative Campaigns

2. Playing Fair

B. What's Ahead

1. Carter's Impending Attack

2. Carter's Surrogates

3. Abusing Incumbency

4. Abusing The Legal Process

5. Manipulating The Media

6. Carter's Goal

7. Our Reacting

8. Will They Succeed?

II. WHAT IS TO BE DONE?

A. Perception Of Carter

1. Well-meaning Amateur?

2. Philistines?

3. Not Just Accusations

B. Phase I -- The Nasty Administration

1. Credibility

2. Cronyism

3. Cosmetics

4. Personal Attacks

5. Abusing Incumbency

6. Demeaning the Presidency

7. The Real Picture

C. Phase II -- The Issues -- Broken Promises

1. Carter Justice

Photocopied at the Ronald Reagan Library

2. Brown And The National Defense

a. Unilateral Cutbacks

b. Military Readiness

c. Defense Budget Sleight-of-Hand

3. Foreign Policy

a. Diplomatic Vaudeville

b. Afghanist And Other Soviet Gains

c. New Boy Network

4. Economy

5. Waste And Fraud

D. Phase III -- The Mistaken Presidency

E. Summary of Phases I, II, and III

III. IMPLEMENTING OUR OPPOSITION CAMPAIGN -- SOME PROPOSALS

A. Implementing Phase I -- The Nasty Administration

1. Fact Sheets And Print Ads

2. Columnists

3. Ford Speech -- Demeaning The Presidency

4. Our Surrogates

5. FEC Complaint Unit

6. Injuction

7. Key Endorsement

B. Implementing Phase II -- The Issues And Broken Promises

1. Ford Ads -- Economy And Defense

2. Justice Department Panel

3. Former Attorney Generals

4. Ambassador Bush Speech I

5. Ambassador Bush Speech II

6. Ambassador Bush Speech III

App. 0816

[redacted]470233

000994

Photocopied at the Ronald Reagan Library

7. Waste and Fraud Extravaganza

8. Media Events

9. Special Groups

10. October Surprise

11. Wirthlin's Data

12. Press Party Kickoff

C. Implementing Phase III -- The Mistaken Presidency

Mournful Tone

D. Three Final Notes

1. It's August

2. Ending Where We Began

3. The Positive Campaign

***

Photocopied at the Ronald Reagan Library

be mapped out now for our surrogates. Visits, for example, to Langley Air Force Base where less than half of the fighters are combat-ready, etc.

9. Special Groups. Every time a special group is announced it should be done so with a stinging attack on the Carter Administration's failures in that group's special area.

10. October Surprise. Should be a constant refrain of our surrogates. They should point out that the hostages may be released and the economy eased slightly by October, but that this should have no bearing on the voter's ultimate choice.

11. Wirthlin's Data. All surrogate attacks with regard to issues should be closely coordinated with polling data -- they show for example that attacks on needless welfare spending, regulatory agencies, wasteful foreign aid, etc., are particularly fruitful.

12. Press Party Kickoff. Phase II should be kicked-off with a press party with a light-hearted tone (Lyn Nofziger hands out "Quotes from Chairman Jimmy" that merely list Carter's promises as well as replay Carter's TV ads from '76 -- believe me, these ads were recently played for a non-partisan audience and resulted in whoops of laughter.

C. Implementing Phase III -- The Mistaken Presidency

1. Mournful Tone. Speeches by our candidates and surrogates in which we regret that the promise of '76 was never fulfilled. Now we have a second chance.

OSG Phone Numbers

ALLEN, Richard V.

(O) (202) [redacted]
(H) (703) [redacted]

IKLE, Fred C.

(O) (301) [redacted]
(H) (301) [redacted]

KUPPERMAN, Charles M.

(O) (202) [redacted]
(H) (202) [redacted]

LEHMAN, John F., Jr.

(O) (202) [redacted]
(H) (703) [redacted]

MOORER, Thomas H.

(O) (202) [redacted]
(H) (703) [redacted]

NEUMANN, Robert G.

(O) (202) [redacted]
(H) (301) [redacted]

ROSTOW, Eugene V.

(O) (203) [redacted]
(H) (203) [redacted]

SILBERMAN, Laurence

(O) (415) [redacted]
(H) (415) [redacted]

VAN CLEAVE, William R.

(O) (202) [redacted]
(H) (202) [redacted]

WEISS, Seymour

(O) (202) [redacted]
(H) (301) [redacted]

(Telephone numbers redacted for reasons of personal privacy.)

App. 0819

400367

GANG OF TEN

FONTAINE, Dr. Roger W.

(O) [redacted]
(H) [redacted]

WHALEN, Mr. Richard J.

(O) [redacted]
(H) [redacted]

IKLE, Dr. Fred C.

[redacted]

LEHMAN, Dr. John F., Jr.

(O) [redacted]
(H) [redacted]

NEUMANN, Amb. Robert G.

(O) [redacted]
(H) [redacted]

PIPES, Dr. Richard E.

(O) (617) [redacted]
(H) (617) [redacted]
N.H.(603) [redacted]

ROWNY, Lt. Gen. Edward L.

(O) [redacted]
(H) [redacted]

SCHNEIDER, Dr. William H.

(O) [redacted]
(O) (914) [redacted]

SILBERMAN, Amb. Laurence

(O) (415) [redacted]
(H) (415) [redacted]

VAN CLEAVE, Dr. William R.

(O) (213) [redacted]
(H) (714) [redacted]

App. 0820

400362

Photocopied at the Ronald Reagan Library

[redacted]

Working Groups*

Richard V. Allen
Fred C. Ikle
Laurence Silberman

Purpose and Strategy of U. S. Foreign Policy

Detailed examination of goals for U. S. foreign policy during the 1980s in the context of the underlying philosophy of a Reagan foreign policy to preserve the peace; objectives for the near- and medium-terms; prevention or management of crisis.

Kenneth Adelman
Laurence Silberman
Rita Hauser
Edward Luttwak
Robert Tucker
Richard Whalen
Charles J. V. Murphy

Fred Ikle
W. Glenn Campbell
Jeane Kirkpatrick
Charles Marshall
Charls Walker
Richard Pipes

NATO

Restoration of confidence in U. S. leadership of the Alliance; the U. S. role in NATO and U. S. diplomacy toward NATO allies; approaches to make the alliance a more effective instrument for the defense of the free world; harmonizing basic foreign policy objectives of NATO members; the meaning of Ostpolitik for NATO; stabilizing weaker members; examiniation of NATO's geographical limits; the policy implications of growing European unity and the European community.

Robert Pfaltzgraff
Robert Strausz-Hupe
Edward Rozek
Jacquelyn Davis

Robert Osgood
Seymour Weiss
Robert Ellsworth
Whittle Johnson

U. S. International Economic Policy, Energy and Raw Materials

Economic policy as a vital component of U. S. policy and strategy; the national security implications of access to energy and raw materials; the political implications of competition for resources and conflicting trade policies; allied cooperation in maintaining freedom for international commerce.

Richard Whalen
Jeffrey Gayner
Frank Barnett
William Schneider
Willis Armstrong

W. Glenn Campbell
Constantine Menges
J. William Middendorf
Robert McLellan

Lev Dobriansky
Charls Walker
John Loeb
Y. L. Wu

815

* Assignments of Advisors to Working Groups is Tentative

App. 0821

[redacted]470272

000724

140

Photocopied at the Ronald Reagan Library

The Americas

U. S. policies toward Canada and Mexico and the implications of Governor Reagan's proposal for a North American Accord; collective security and U. S. policy toward Castro and Cuban support for Soviet objectives in the hemisphere; prospects for further radicalization in Central America and the Caribbean, and U. S. responses; measures to improve bilateral relations with hemisphere nations; the strategic importance of the South American countries.

Roger Fontaine
Pedro Sanjuan
David Jordan
Constantine Menges
James Theberge
John Lodge

Middle East, Persian Gulf and South Asia

Policies toward Israel; relations with Egypt; Saudi Arabia and other Arab nations; risks and opportunities in Persian Gulf region; the Palestinian issue; assistance for Lebanon; policies toward radical states and methods of protecting U. S. interests amidst increasing instability; implications of an oil embargo.

Robert Neumann
Curtin Winsor
Rita Hauser
Raymond Tanter
Joe Churba
Amos Perlmutter

Policy Towards the Soviet Union and Eastern Europe

The framework of U. S. - Soviet relations for the 1980s, and short- and long-term policy requirements; strategies to arrest Soviet expansionism while maintaining the peace; the role of East-West trade, technology transfer and credits; Yugoslavia after Tito; requirements of U. S. policy toward Eastern Europe; the U. S. response to increasing dissidence in communist countries.

Uri Ra'anan
Richard Pipes
William Scott
William Stearman
Mose Harvey
Richard Staar
Harriet Scott

Japan, China and North-East Asia

Strengthening U. S. - Japan relations; U. S. policy toward Taiwan; relations with the People's Republic of China; defense of Korea; defending Pacific sea lanes; economic, energy and trade issues.

Chalmers Johnson
William Stearman
Y. L. Wu
Richard Walker
Jeffrey Gayner
Max Hugel

App. 0822

[redacted]470273

000725

Photocopied at the Ronald Reagan Library

The Current Crisis in Iran

Problem of U. S. hostages; growing instability and the implications of general collapse into chaos; assessment of Soviet options and objectives; examination of U. S. policy options.

(This is an Iran working group; names of Advisors participating will remain "unlisted.")

Other Regional Issues

Central and Southern Africa; North Africa; ASEAN and Southeast Asia; Soviet influence in Asia, especially in Vietnam; the ANZUS alliance, relations with the Phillipines, Indonesia, India and Pakistan.

Uri Ra'anan
Adda Bozeman
Alvin Cottrell
Peter Duignan
Robert Keating
Constantine Menges

Instruments of Foreign Policy I: Communications and Information

The global contest of words and ideas; combating totalitarian propaganda; the U. S. image abroad; conveying America's convictions and ideals to the world.

Frank Shakespeare
Rita Hauser
Ernest Lefever
Eugene Kopp
Kenneth Adelman
Fred Ikle
Richard Whalen
Nathan Glazer

Instruments of Foreign Policy II: Foreign Aid and Military Assistance; International Organizations; Refugees

Henry Nau
Charles Fairbanks
Ernest Lefever
Aaron Wildavsky
Lev Dobriansky
David Jordan
Raymond Tanter
Donald Herzberg

Photocopied at the Ronald Reagan Library

Instruments of Foreign Policy III: Intelligence and Intelligence Organizations

Walter Pforzheimer
Robert Pfaltzgraff, Jr.
Jeffrey Record
Carnes Lord
Robert Ellsworth
Daniel Graham
Vernon Walters

Reorganizing and Streamlining the National Security Machinery

An examination of structural changes in the existing mechanism for making foreign and defense policy; the functions and organization of the National Security Council, its Executive Director and staff; strengthening the economic and intelligence components of the national security decisionmaking process; methods by which a new President and his staff can integrate the work of the foreign policy, defense and intelligence communities in the service of sound policymaking and the national interest.

President Reagan and the 97th Congress: Foreign Policy, Defense and Intelligence Priorities

Attitudes a new Administration should bring to office in order to rebuild a sound bipartisan basis for the nation's foreign policy; initiatives it can take to lay the groundwork for a joint effort with the 97th Congress; coordination with the Congress while not relinquishing Constitutional and historical prerogatives of the Chief Executive.

App. 0824

[redacted]470275

000727

"Now I would like to read you some statements others have made. Please tell me for each one, whether you agree strongly...agree somewhat...disagree somewhat...or disagree strongly."

	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
The war between Iran and Iraq would never have happened if the United States were stronger militarily in the Middle East.	25%	19%	28%	28%
The war between Iran and Iraq is primarily the result of a long-standing feud between the two countries.	56	33	7	4
Jimmy Carter has done all any president could have done to free the hostages in Iran.	25	24	22	39
Jimmy Carter is largely responsible for the hostage situation in Iran.	17	20	31	32
The United States should have given more support to the Shah of Iran in order to maintain him in power.	15	18	31	36
If the hostages are released in the near future, Jimmy Carter should get credit for their release.	12	27	29	32
The war between Iran and Iraq would never have happened if Jimmy Carter had a more forceful and consistent Middle East policy.	20	23	27	30
Jimmy Carter is controlling the timing of the hostage release for political purposes."	8	11	24	50

SOURCE: D/M/I, October 2, 1980

Photocopied at the Ronald Reagan Library

Photocopied at the Ronald Reagan Library

Reagan & Bush

Reagan Bush Committee

901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

CONFIDENTIAL

MEMORANDUM FOR: ED MEESE

FROM: STEF HALPER SHH

DATE: 10-19-80

SUBJECT: THE HOSTAGE QUESTION

As requested, several of us put our heads together on this. The following reflects input from Kevin Hopkins, Frank Hodsoll, and Bill Dirlam and from Dr. Ray Cline, General Brent Scowcroft and John Lehman on the outside.

PRESENT SITUATION

News reports today and yesterday indicate: 1) The Iranians believe the U.S. has already apologized to Iran for its activities there during the Shah's reign (a key precondition to resolution); 2) the removal of the U.S. AWAC's systems from Saudi Arabia would be an important demonstration of goodwill; 3) that the Majlis (parliament) would soon set out the conditions for release. There was also a message of hope to the hostage families from Iran to the effect that the ordeal wouldn't last much longer.

Under the category of significant, but unconfirmed reports, we have the following:

1) The Treasury has been working out the procedures for freeing Iran's assets.

2) A U.S. Air Force/Navy analysis has determined the types of spare parts most likely needed by Iran. These materials are standing-by at McGuire AFB in New Jersey.

3) A third party, a private corporation, has been dealing with both the U.S. and the Iranians on the issue of spare parts.

4) Prime Minister Rajai's public comments in New York City were a smokescreen. While we understand he spoke with Warren Christopher, the Undersecretary of State, the actual negotiation on conditions for release and U.S. concessions was carried on between Christopher and 3 representatives of Bani-Sadr who are with the Iranian Bank of Markazi. These 3 (Rashidzadeh, Ali Yasseri, Ali Manazirad) were attached to the Iranian IMF mission which met in New York and Washington about ten days ago.

001281

Photocopied at the Ronald Reagan Library

IRANIAN OBJECTIVES

The Iranians know that the race is very close and that Carter will be susceptible to pressure in the next two weeks, perhaps more so than in the past month. Their objectives are:

(RR and Carter has agreed to these)	--	Unfreeze Iranian assets now held in the U.S.
"	--	Cancel any and all claims against Iran.
"	--	Promise by U.S. of non-intervention in Iran's internal affairs.
Matter for courts	--	Return Shah's assets.
Public demand	--	Remove AWAC's from Saudi Arabia.
Private demand	--	Resupply Iranian forces.
Private demand	--	Economic assistance.
Private demand	--	US/USSR guarantee of sovereignty of Iranian territory.
Private demand	--	Peace-keeping force to sustain cease fire.

The first four objectives have been publicly aired. Both Reagan and Carter have responded. The remaining five, we are told, have been raised in discussions between the two sides.

The Iranians will attempt to get written commitments on as many of these as possible before the election, seeking to bind whoever is elected after November 4th. This view is buttressed by, among other things, a statement by Rajai today that "The American government also has special problems in respect to the elections, indicating they are ready to cooperate and meet the conditions that will be met."

The negotiations will conclude when the Iranians feel they have reached the point at which the cost of further delay is greater than the benefits to be expected from additional concessions. This will depend upon: 1) the events in the Iran-Iraq War, as they relate to Iran's ability to continue fighting; 2) the perceived firmness of Carter's negotiating posture; and 3) the prospect of Reagan's election.

POLITICAL RESPONSE: PRE RELEASE

It is recommended that beginning now, up to the time the hostages are released, Governor Reagan's posture be to emphasize the following: 1) note that there are increasing signs that the hostages' release may be imminent. Greet this news cautiously,

Photocopied at the Ronald Reagan Library

but favorably. Ronald Reagan should express his hopes and prayers that the hostages will be coming home soon, even if it is the day before the election. 2) Insist, though, that the U.S. not complete any deals or trades until all our people are home, and the conditions are made public. Add that we must be mindful of the long-range consequences of any arrangement we make.

This pre-release posture serves to heighten the expectations of the hostages' release. This has two effects: 1) if the hostages are actually released, it does not come as such a surprise. By generating the expectation that this will occur, we could dull somewhat the outpouring of enthusiasm to be expected from the hostages' return. 2) If the hostages are not released before the election, Carter faces a heightened credibility problem because of the greater expectation of their release.

RELEASE SCENARIOS

There are 7 possible release scenarios considered her :

1) No public agreement before election.

2) Iran pledges release before election; U.S. agrees to spare parts exchange.

3) Iran pledges release after election; U.S. agrees to parts exchange.

4) Iran agrees to partial release before election and rest after; U.S. agrees to match release with parts.

5) U.S. and Iran announce total agreement. All hostages are released (except the four who will stand trial) to Switzerland on October 28th and arrive in U.S.A. on November 2nd.

6) U.S. and Iran agree to gradual release matched by concessions.

7) Total release of hostages, they arrive home first, and then the trade is initiated.

POLITICAL RESPONSE: RELEASE SCENARIOS

1) No Public Agreement. This is essentially a continuation of the pre-release phase. Throughout much of this time, RR should continue the line suggested earlier. As election day comes closer, RR could add a statement that he hopes Carter's actions aren't another attempt to raise expectations beyond what is justified. Within the last few days, surrogates should start pointing out how the hostages have been over there for almost a year, and that even if we get them home soon, Carter's policy has still failed because of the

Photocopied at the Ronald Reagan Library

indignity and suffering inflicted on the hostages and their families. They should say Carter should not get credit for remedying a situation that should been resolved long ago.

2) Iran pledges release before election; U.S. agrees to parts exchange. Ronald Reagan's tone should be supportive and congratulatory, but cautious. Having expressed relief that the hostages will come home at last, his note of caution should contain the following elements: all the terms of the agreement must be made public; warn that the piecemeal supply of parts could commit us to one side--the result could be an oil cut-off from the other side. The implications of the wrong agreement could be more serious than the Vietnam War in the mid and long term.

If the hostages don't arrive on U.S. soil before the election, we can label the deal a failure. If they do arrive in time, we express relief but wonder if Carter gave away the store.

3) Iran pledges release after the election; U.S. agrees to parts exchange. First reaction is relief. If parts are provided before the hostages arrive, we should wonder aloud what kind of an agreement it is that the U.S. makes all the concessions and still doesn't have its people home. Then we should express the hope that Carter hasn't entered into an endless process in which we keep supplying the Iranian war effort (with all that implies) and yet don't get our people back. Surrogates should begin demanding that Carter tell the American people when our people are coming home and criticize him for not getting our people home before we carried out our part of the bargain. As the election draws near surrogates and finally Reagan should label this a failure.

4) Iran agrees to partial release before election, the rest later; U.S. agrees to match people for parts, group for group. First reaction is relief. Reagan should join the euphoria, particularly when the first group arrives. But, we should express caution. As in preceeding scenarios: Reagan should insist the deal made public; warn about being drawn into a war that could end with an oil cut-off; wonder aloud how long this could be drawn out; point out this is the first time the U.S. has been blackmailed on such a grand scale--can we expect more of this in the future? As we approach election day, decry the humiliation of our position and label it a graphic, poignant illustration of the failure of the Carter presidency.

App. 0829

[redacted]470326

001284

Photocopied at the Ronald Reagan Library

5) U.S. and Iran announce total agreement. All hostages are released (except 4, said to be CIA, who will stand trial) to Switzerland. They arrive Geneva on October 28 and in U.S.A. on November 2. First reaction relief and congratulations to the hostages' families. At the same time, Reagan should express deep sorrow that the administration made an arrangement that left four loyal Americans in the hands of terrorists--probably to face life imprisonment or death. As the election approaches, we should decry the political expediency, the slick nature of the deal. Call it a humiliation before the eyes of the world brought on America by a desperate politician.

We might want to consider meeting with a few of the returned hostages if it can be arranged.

6) U.S. and Iran agree to release matched by parts. Process to begin after election. Reagan should express relief and then demand that details be made public. Express the hope that this is not simply another example of the Wisconsin syndrome--list Carter hypes before important primaries.

As November 4 nears, label it a failure. If he can't get them out when it's so important to his election, what makes anyone think he can do so later.

7) Total release of hostages. They arrive home first and then trade/concession initiated. For the first few days, Reagan should be thankful and express relief that hostages are home. Gradually, he should shift away from the issue, concentrate on economics, and emphasize comparisons there. Gradually, surrogates should start raising questions about why Carter waited so long to get the hostages back.

SUMMARY

There are, undoubtedly, scenarios that are not addressed here. Of the ones we have covered, the following can be said:

1) In virtually all scenarios, we respond positively in the first two to three days.

2) Any movement on this issue will pre-empt the debate results--should the hostages come home on the 28th or later.

Photocopied at the Ronald Reagan Library

3) Because of Carter's established pattern of springing "good news" on the eve of an election--the Wisconsin syndrome--we should expect something like this to happen in the October 31 to November 3 period and warn people accordingly.

4) We must be prepared for Carter to use the line "I've got a deal all set. If Reagan comes in, it's off."

CONFIDENTIAL

D-259

To: Ed Meece
From: Bob Gray

1. As we reach for contingency plans re hostages we should keep in mind our ability to sow a story or start news trends by non-attribu comments to newsmen. If we leak to news sources our knowledge of the Carter-planned events, spelling out what Carter will do to make a medi event of the release-phased return to the states, a White House event, ticker parade, possible use of Mondale, etc., we can get the press say Carter is politicizing the issue, following his media plan, etc..

2. In contrast to our famous anonymous Reagan aide quoted in Lou Cannon this morning, we should be saying the hostage resolution will not be making any difference in the vote, does not change the overridi issues of the campaign, etc..

3. After the Governor joins in the rejoicing "that our long wait for resolution of this issue is finally over" we should be taking the approach "we cannot allow this happy moment to divert us from our miss to tell the American public about the Carter record, etc.."

4. After the hostage return the Governor should "recognize I now have an even heavier responsibility to redouble my efforts to spotligh the Carter record. If I do not the voters might--in a momentary happi ness--make a decision they would regret for another four years"

Photocopied at the Ronald Reagan Library

October 29, 1980

To: The Honorable Paul Laxalt
Bill Casey
Ed Meese ✓

From: Richard S. Williamson

Re: The FINAL Days--October Surprise shifts to November Desperation Ploy

If our polls are wrong and the election looks close, Jimmy Carter will not take any great risk in the closing days of the campaign. He will do what he has been doing, but harder. However, if our polls are correct and Ronald Reagan has a significant lead in the electoral college vote, then we can expect Carter to make a dramatic drastic move on Saturday or Sunday.

The keys to a Carter victory are for him to bring the Democratic voters back home again and get out the vote.

Return to His Roots

When cornered and in the clutch a fighter draws upon his instincts as nurtured by his roots and past experience. As a politician Jimmy Carter's record is clear. He is not restrained by normal bounds of decency. He is in the "southern tradition." And he has used the "Sunday" surprise to his advantage in the past.

"Southern" pals of the Carter bent are the sort that

(9) [redacted]470398 75
000227

Photocopied at the Ronald Reagan Library

cut their own campaign HQ phone lines on Sunday and call in the press to blame their opponents of dirty tricks.

In 1976 on the Thursday before election day, President Ford had come from behind to draw even with Jimmy Carter in the polls. Some public opinion polls even gave Gerald Ford a 1 point lead. Then on Sunday, Jimmy Carter played his surprise.

The segregation policy of Carter's Plains First Baptist Church had been a minor theme during the campaign. On Sunday, October 31, 1976, before national network television cameras the Reverend Clennon King, a black, from the Divine Mission Church in nearby Albany, Georgia demanded entrance into Mr. Carter's Church. He was denied entry. Dramatically, Jimmy and Rosalyn Carter emerged at the Church's door. He delivered a carefully crafted statement saying that he recognized the rights of the Church to set its membership--thereby not offending southern whites--but that he thought blacks should be admitted to his church. He went on to mention his efforts to desegregate that church in the past. Then Mr. Carter said that since his minister would not admit the black Rev. Clennon King to services that he and his wife, as an act of conscience, had no choice but to walk out.

Carter aides went further. They told the media that it could not have been just coincidence that Rev. King had shown up at the Plains, Georgia First Baptist Church on the Sunday before election day. They charged that the Ford campaign had engaged in "Nixonian" "Watergate" dirty politics, that the Ford campaign

C05470399

000223

Photocopied at the Ronald Reagan Library

was behind the incident.

The ploy was a 10-strike for Jimmy Carter! The media gave the incident enormous play. It dominated Sunday's network television, radio and the Monday newspapers. It tarnished the nice guy Jerry Ford image (raising Nixonian tactics and therefore subliminally Ford's controversial pardon of Nixon was an added Carter spin). It showed Jimmy Carter the decent compassionate man of principle taking a "difficult stand"; reaffirming his commitment to racial equality. It stimulated the black vote--increased the turn-out in that '76 decisive constituency. Further, his bold dramatic stand for racial equality reassured traditional Democratic liberals of the Humphrey-Kennedy wing that this southern born-again fiscal conservative was really one of them. As he symbolically showed by beginning his '76 general election campaign at FDR's Warm Springs, Georgia retreat, Jimmy Carter was a man in the tradition of the father of the modern Democratic Party, Franklin Deleno Roosevelt.

This ploy returned the final decisive political momentum to Jimmy Carter in 1976. He'll try something again.

Carter Options

1. The Hostages: Humpty Dumpty has fallen apart, and it is doubtful that all the President's men and all the President's horses can put him back together again.

The American Hostages in Iran probably will not get out before election. If they do get out, it will not be the result

Photocopied at the Ronald Reagan Library

of Jimmy Carter. He is as much a victim of events as we are. Further, the public cynicism on the issue has increased dramatically. If the hostages are released, almost 50% of Americans say the release would be "political".

Consequently, Mr. Carter cannot bank the hostage situation. It probably will not happen. If it does, politically the release will cut both ways.

2. Poland: The trade union agreement with the communist government has hemorrhaged. Polish functionaries were called to Moscow for consultations. Probably nothing will happen; but a dramatic event in fact is not necessary. As we have said for months, a Carter "October Surprise" does not need a real crisis to work. Carter just needs a slight strain somewhere around the globe to create a crisis mentality.

The Polish situation could be a catalyst--sufficient smoke for Carter to act. He could cancel his schedule and dramatically return to Washington. Sunday afternoon he could address the American people from the Oval Office. With the American flag behind him in the solemnity of the Oval Office he could tell the American people about a deteriorating situation in Poland. He could go on "boldly" to assert that he stands firmly behind the freedom loving workers of Poland and he will commit America to defend the freedom of the Polish workers from Soviet intimidation and threat.

Thereby, Carter is bold. Surrounded by the aura of

App. 0836

[redacted]4704U1

000230

Photocopied at the Ronald Reagan Library

the Presidency he is taking action. And our numbers show that an issue that cuts in this election is that voters don't want America to be pushed around by other countries. Further, since he has no warmonger baggage he can afford to be more hawkish and instead of hurting him, it helps his image. He appeals to the sizeable Polish vote and other large European ethnic voter groups. He can give a Catholic spin by citing Pope John Paul II in his remarks. He can play the labor union theme. He dominates the news, captures momentum, stimulates Democratic voter turn-out.

3. Racism: The black issue is the old southern tar baby that southern pols love to beat on. For years it was a call to support segregation. Now the southern pol uses the race issue to play on the guilt of whites and enflame the blacks by denouncing inequality. This is the card Carter played in 1976. It is the card he played before the Ebenezer Baptist Church in Atlanta in September. It is the card Carter played yesterday in Newark, New Jersey when he addressed a congregation of black ministers at the Bethany Baptist Church and said, "Governor Reagan may not know it but to millions and millions of Americans who suffered racial injustice for 300 years, it was not simply a problem, it was a lifelong disaster."

An intelligent vigorous smear campaign against Ronald Reagan as a racist can have the following beneficial effects for Jimmy Carter: 1) stimulate greater black voter turn-out--a

Photocopied at the Ronald Reagan Library

pivotal factor in a number of areas on election day; 2) raise doubts about Reagan among moderate Anderson-type Republicans; 3) increase voter turn-out among other Democratic voter groups from the Kennedy-wing and among Jews; 4) capture some momentum.

4. Attack "Watergate" Tactics: Carter can charge vigorously and self-righteously the Reagan/Bush campaign of dirty politics--Nixonian tactics smelling of Watergate. I am not aware of any acts that can remotely be called dirty politics engaged in by our campaign. I am confident none of the top campaign leadership is aware of any unethical activities. But politics is politics, and someone at the local levels may be doing some pranks. We must be cleaner than Ceasar's wife. But, truth takes time to catch up with a smear charge. And, I'd be prepared for Carter to charge dirty tricks and to raise the haunting spector of Nixonian tactics.

Again, this would help bring the Democrats back home. And, it might increase voter turn-out.

Summary: I do not see any of these Carter options as a home run for him. But I am convinced that if our polls are correct, he'll take a dramatic risky move on Saturday or Sunday. It may be one of the above, a combination of them, or perhaps something we have not thought of.

Suggested Reagan/Bush Actions

1. Cleaner Than Ceasar's Wife: To the extent possible, let's have a call down from national HQ to the field for all

[redacted]470403

000232

App. 0838

Photocopied at the Ronald Reagan Library

campaign workers to be scrupulously ethical, clean, above board during the final hectic days. This might curb potential excessive enthusiasm.

2. Set The Stage: We did a good job at weakening Carter's position on the Iranian Hostage issue by bounding away at the "October Surprise" theme beginning in August. We set the stage. The press began to look for the politically expedient October Surprise.

With the hostage release plans blown assunder, with Carter having lost the debate, with the polling numbers down, we should predict a Carter "November Desperation Ploy". We should set the stage again. Create cynicism in the press. We should pre-empt Carter's move.

The staff on the plane, the HQ communications department, and, critically, the top campaign leadership at HQ should spread the work to the media: we expect a sleazy "Carter November Desperation Ploy".

The Carter remarks yesterday at the Bethany Baptist Church and reports that this Sunday Mr. Carter is scheduled to speak at black churches in Chicago, Detroit and Philadelphia lead me to believe that at least one offensive surely will be the reported charge that Reagan is racist. Let's set the stage--let's not over-react.

3. No Over-Reaction: Something will hit Saturday or Sunday. Critically, Governor Reagan and Ambassador Bush should

Photocopied at the Ronald Reagan Library

be prepared for it to minimize the risk of an intemperate over-reaction. Also, the staff on the campaign plane should be fully prepared for calm damage control if necessary. The HQ campaign leadership should be available and similarly postured throughout the weekend.

(An Addendum focuses further on a Reagan/Bush strategy on the RACISM issue.)

RSW/11d

Photocopied at the Ronald Reagan Library

ADDENDUM

To rebute a possible Carter November Desperation Ploy on Sunday we must set the stage. As discussed above, a racism charge is a likily theme that Mr. Carter will continue to play - and one he will try to enflame through some contrived event on Saturday or Sunday. The following is a suggested statement that could be marketed to the media by the top campaign staff at HQ and on the plane:

We can only assume Mr. Carter is a desperate man. His October surprise fell apart, his campaign is not only lagging in key states but nationally, and he has failed to scare home the Democrats.

What we expect is an act of November desperation.

Mr. Carter probably will return to the desperate methods used earlier this year: rhetoric of racism, hatred and fear. His last resort is to stir emotion trough contrived events and falsehoods. Only such politically manipulated emotion has a chance now to turn out disaffected Democrats. If he tries it, he will prove he is desperate, and if he is that desperate, for him it is already too late.

App. 0841

[redacted]470406

000235

copied at the Ronald Reagan Library

Memorandum
To: Tony Dolan
Re: Political Countermeasures upon Release of the Hostages
From: Larry Seidler
Date: October 25, 1980

Should any or all of the hostages be freed before the election it is of paramount importance to have this event backfire upon Mr. Carter. The means to this end demand the utmost exercise in tact and center around voter awareness of two themes.

1. JIMMY CARTER: THE HERO OF HIS OWN CRISIS

A simple review of the facts leading up to the November 1979 seizure of the American embassy in Teheran clearly shows that the hostages would not have been seized but for the actions of the Carter administration which practically speaking"set them up" through incompetence. A review of the facts leading up to the seizure is enough to lay the blame on the Carter administration:

- The U.S. embassy in Teheran was breifly occupied in 1978 after the fall of the Shah.
- U.S. embassy officials in Teheran then requested stronger protective measures.
- Nothing was done.
- U.S. Embassy officials in Teheran then complained about inaction on stronger security measures to U.S. Department of State
- U.S. Embassy officials in Teheran warned the U.S. Department of State that they would probably be taken hostage is the Shah was admitted to the United States
- U.S. State Department officials acknowledged this and promised stronger protection and advance warning if the Shah was admitted to the United States
- The Shah was admitted to the United States on November 4, 1979 and there was no advance warning to the U.S. embassy in Teheran

App. 0842

[redacted]470391 000079

Photocopied at the Ronald Reagan Library

The U.S. embassy in Teheran was immediately seized and hostages were taken.

The above facts lead to the conclusion that but for the failure to improve protection and warn the U.S
U.S. embassy in Teheran the hostages would not have been seized. Carter and his State Department were responsible for the seizure through incompetence and failure to heed warnings.

The "Jimmy Carter: Hero of his Own Crisis " approach to the hostage release coupled with the suspicion and cynicism arising from a release or deal on the eve of the election could cause the entire matter to backfire.

It will look like Carter negligently set up the embassy to be seized then then used them for a series of political gains culminating in the attempt to trick the American people by a release just before the election.

2. PLAYING POLITICS WITH THE HOSTAGES

This theme shows that Carter has been playing politics with the hostages all along. The timely release of the hostages on the eve of the election is the final step of a long series of political of events demonstrating the use of the hostage crisis:

- The "Rose Garden" strategy of using the hostage crisis as an excuse to dodge primary campaigning.
- The 7:18 A.M. television announcement of a breakthrough in the hostage crisis on the morning of the Wisconsin primary when in fact there was no breakthrough.

App. 0843

[redacted]470392 000080

Photocopied at the Ronald Reagan Library

.The April 26 "raid" on Teheran which was criticized in the official report as poorly planned and inadequately manned and widely perceived by our allies as a desparate act. (The Economist, Le Monde, Die Welt, The Times)

. The sudden "manageability" of the crisis a few days later which signalled an emergence from the Rose Garden and return to campaigning.

. Finally, the release of the hostages just before the election, on terms which(probably) could have been negotiated before the campaign.

This final political use of the hostages for the effort
effort of re-electing Jimmy Carter can be pointed out in an ad using the question:

WHY DID THE CARTER ADMINISTRATION WAIT UNTIL THE ELECTION TO GET THE HOSTAGES BACK?

The the above instances of prior political use of the hostage crisis could be set below to create the impression that the November release of the hostages is the final act in a chain of political uses. This would raise suspicion and cynicism of a pre-election deal/release of the hostages.

3. OTHER PLOYS

A riskier avenue of approach is the theme that the release of the hostages before the election is Ayatollah Khomeini's vote for Jimmy Carter. (Note: Rajai himself said that he"doesn't want America's government(Carter administration) to fall."

Similarly, the recent pardon of"all"American prisoners in Cuba amounts to Fidel Castro's vote for Carter. And Castro has said that he wants to see Carter re-elected.

Photocopied at the Ronald Reagan Library

Reagan & Bush

Reagan Bush Committee
901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

October 27, 1980

To: All Reagan/Bush staff

From: William Casey

Precautions must be taken to make sure nothing is attributed to our campaign organization that could in any way be said to jeopardize the possibility of securing the release of the hostages. That means that nobody, except those who are specifically authorized, express opinions to the media from now until Election Day.

528 [redacted]470382

000984

191

Dno 48

Photocopied at the Ronald Reagan Library

Reagan &

Reagan Bush Committee
901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

MEMORANDUM TO: GOVERNOR REAGAN
ED MEESE

November 2, 1980

FROM: BILL CASEY

I am sending you a memorandum prepared for me by Charlie Brower, Chief Legal Advisor at the State Department when I was there. It is on the costs and methods of meeting Iranian conditions for the release of the hostages.

In a nutshell, it concludes that Carter could assert legal authority to return Iranian assets free of attachments and terminate suits and claims against Iran. This would be done under the Presidential constitutional power to conduct foreign policy, but would give all those suffering loss from this process the right to claim compensation from the United States Government. They would have to collect by some Congressionally enacted claims procedure or by suit in the Court of Claims whose judgments Congress has always honored.

In short, such a deal would amount to the deferred payment of ransom of an undetermined amount which would certainly run into several billions. As to the Shah's assets, Carter could do what Roosevelt did in recognizing the Soviet Union in 1933, namely, take an assignment from Iran of its claimed rights against the Shah, collect on these claims and turn the proceeds over to the Iranians. This could put the United States in the ungraceful picture of undertaking to locate and collect on the Shah's assets for the benefit of Iran. So, while this might be doable, the political cost would be enormous. I therefore expect Carter to project a show of strength and protect the dignity and honor of the United States by rejecting these demands as outrageous.

I believe he will be widely perceived as having engaged in a desperate last attempt to manipulate the hostages again for political benefit and to have once more bungled it. If this analysis is correct, we should say very little and leave it that way.

App. 0846

603

[redacted]470645

000679

Paid for by Reagan Bush Committee. United States Senator Paul Laxalt, Chairman. Bay Buchanan, Treasurer.

135

Abourezk, Shack & Mendenhall
1129 20th St. N.W.
293-5900

[redacted]470444

000027

Special
Issues - Answers
with
that et -
from foreign ministers Paris
Houses
of agencies
Meet in mm.
Notizach
+

App. 0848

470447

000030

president will agree to assint the proceedure to get the
Shaa weath back to Iran.
Iranian govement is paying $800,000
to aberranth via U.S. Government to locate abersee to get
the shahs funds.
x x x
Secret meetings i Paris , Geneva /

App. 0849

[redacted]470445

000028

Photocopied at the Ronald Reagan Library

URGENT

MEMORANDUM

September 24, 1980

For:
From: Stef Halper STAFF
Subj: Iran-Iraq Conflict

Ref: Conversation with General Brent Scowcroft and Dr. Al Cottrell, Director, Middle East Studies CSIS

oCONFLICT:

Accelerating. Naval engagments in the Persian Gulf and Shat-El Arab. Mutiple craft lost. Frigates and gun boats. Air engagements in Gulf, and Abadan refinery area, Bagdad. Iraqi planes have raided 8 military bases across Iran. Iran attacked chemical complex at Basra.

Iraqi troops now 10 miles inside Iran.

Iraq bombed Kargh Island severely damaging Iran's ability to export oil.

oLENGTH OF CONFLICT

Could be several weeks depending on level of effort. Iraqi's well supplied. Have approximately 1000 Soviet technicians. Have spare parts. Aircraft now well-maintained. Can't repair rapidly.

Iranians have few spare parts. Even if U.S. provided them no technicians to put them in. (218 tech. reps who serviced the 70 F-4's all gone).
Spare parts could make little or no difference in force capacity at this time.

App. 0850

[redacted]470281

000489

Photocopied at the Ronald Reagan Library

FOR: G.B. From: Stef HALPER

USSR - not anxious for crisis to expand. Will look for a way to profit from it

Will put self forward as mediator

can restrain Iraq. U.S. cannot

Can only gain from the conflict and its resolution.

Will underscore U.S. failure in the region. Iran - a U.S. friend now on its knees ; Iraq a UUSR client now in ascendancy Testament to the failure of the U.S. policy

If Khomeini calls on anyone it will be the USSR. They can impact Iraq in return for concessions from Iran

IRAQ - now is the time to settle old scores. Iran is disorganized unprepared - officer corps in disarray. The situation was never better for Iraq.

Intelligence

Mostly satallite
Some recon
few ground sources

Straits of Hormuz

Wholly in Oman territorial waters. Must keep straits open. Iraq may try to take the three small islands in the middle of the straits.

Hostages

Delay. Teheran one problem town. Knomeini and Bani-Sadr directly involved in war. Settlement soon viewed as unlikely. No clear authority in Teheran

Kargh Island

Bombed. 75% of all Iranian oil goes out through Kargh Island

Japenese

Wring hands. No action

App. 0851

Energy

40% of oil for free world flows through gulf.

Key Point [redacted]470282 000490

If the administration had paid proper attention to the stability of the region this would not have happened. Under the Shah- quid pro quo. Both Iran and Iraq wanted to preserve

Photocopied at the Ronald Reagan Library

#3

oil reserves and revenues. This was source of the regional stability. Iraqi dont trust Khomeini - afraid a religious, fundamentalist movement like this in Iraq could possibly topple government

Mr. Carter's chickens are coming home to roost.

[redacted]470283

000491

Photocopied at the Ronald Reagan Library

FOR : [redacted] GE.
From: Stef Halper

#4

UNITED NATIONS RESPONSE:

The U.N. held urgent consultations on Tuesday but the Soviets questioned the propriety of issuing a statement of concern without a formal meetin of the 15 member body AS OF 2:00 p.m. WEDNESDAY THERE HAD STILL NOT BEEN A RESOLUTION OR STATEMENT OF CONCERN ISSUED

OIL SUPPLY:

Today the State Department predicted that both nations would cut off oil shipments through the Persian Gulf today, although Iraq can continue to send oil by pipeline to the Mediterranean. Oil industry sources are reported as estimating that the non-Communist world currently has reserves adequate to last roughly 100 days (till approximately the end of the year).

SEA TRAFFIC:

Lloyd's register of ships indicated that there could be about 600 vessels in or heading for the Persian Gulf which could be affected, including tankers, and general cargo vessels. Kuwaiti news agency quoted shipping sources in London as saying that as of Wednesday international shipping companies were diverting their vessels from Iran and Iraqi ports in the danger zone of the current conflict.

WHITE HOUSE RESPONSE:

In a campaign trip to the West Coast yesterday Carter said: "What we want to do is calm the situation and mot aggravate it, so any comment by me about the use of American forces would be completely inappropriate."

Today Carter called in his senior foreign policy advisors to put together a statement reaffirming American neutrality in the current conflict.

IRAQI ULTIMATUM:

AtReuters reported at 6:57 today that Iraqi military commanders gave an ultimatum to the Iranian forces and "ordered them to surrender within 6 hours."

The fuller report stated that Iraqi gound forces had surrounded Abadan, Muhammerah to the North, and Qasr-E-Shirin in the North, and that Iraqi forces were pushing to Kermanshah to the East.

App. 0853

INVOLVEMENT OF OTHER NATIONALS: [redacted]470284 000492

A total of 700 Americans were reported to be in Iraq when the fighting began, many of them in the Basra area that was attacked by Iranian planes Tuesday. Some of these, roughly 300 Americans are believe to have been evacuated; the State Department has reported that 3 Americans are missing and a late breaking report by CBS news today notes that 10 Americans have been killed in an attack by Iran on Iraq

Additionally, 300 Brittons were evacuated on Tuesday,from Basra, Iraq,

Photocopied at the Ronald Reagan Library

FOR: [redacted] GB
From: Halper

#5

EVACUATION: CONT:

The French engineering firm of Technip evacuated 16 French and 70 Filipino workers from Basra and Susayr, Iraq, on Tuesday, while Technip's Italian subsidiary Techipetrol withdrew 20 Italians and 270 Filipinos

MILITARY:

AIR: Iraqi planes attacked Iran's main terminal on Kharg Island today, the island is 125 miles southeast of the disputed Shatt al Harb waterway, area of most of the previous fighting.

Reports also indicate fresh Iraqi air strikes today on airfields in the Western cities of Tabriz and Kermanshah

Previously reported Iraqi strikes on Western Iranian cities on Mon and Tuesday had killed a total of 40 civilians and injured over 300.

LAND: Iraq said today its ground forces, in a thrust toward Tehran, captured Quasr-e-Shirin, the first town on the highway to the Iranian capital. The reported

The reported capture of Qasr-E Shirin, the first population center taken in the war, appeared to be a bold extension of the Iraqi advance on two fronts with the thrust in the North heading for Tehran.

The other front is centered in the South with its goal appearing to be a knockout blow of the crippled oil facility of Abadan

~~Iraqi forces surrounded three cities in the Abadan area and have demanded that Iranian forces there surrender by this evening (11:0 EDT)~~

NAVAL: Iranian and Iraqi forces also engaged in battles in the Persian G

HOSTAGES:

The fighting, now in its third day, forced Iran's Parliament to "FREEZE INDEFINITELY" the debate on the fate of the 52 Americans who have been held for 326 days.

App. 0854

[redacted]470285

000493

62 366 1450

10 Oct 80

0900 OSG BB RGI Schneider Rowny

CK

R Newman

Weiss LoRV Rue Meares JEL

TM — Iran = Hostages

R Newman — • Dept. - core people [Emissaries in town]

• Contact w/ key people

• Jordanian - CofS in town; supporting

• Main purpose of Hagi others - bring down Khomeini

• Senior Iranian believed will be holding hostages or valuable asset

JEL — Sources of

• Key Mil. Contacts in order

S — • Kennedy / Libya — debt. put in hands of Iraq

• ACMACS — coverage offered Kuwait & Emirates

• Arg. Wichita carrier into Gulf (Midway) for surface protection [Outside Gulf; Carrier is 800 Mi from

Ed Rowny — Hostages

• OSD, DOD, State, WH

• Do it by 25th October

• Post Sov. Communist in Afghanistan - negotiated Settlement

[Isol TNF/and/CTB]

[TM — Stay away from TACTICS]

Bill Schneider

• Indian Ocean —

400049

App. 0855

10 Oct 80

Sec Wein →

- Rescue Attempt being planned
- Several small groups
  - AWACS
  - Rescue
  - Helicopters & equipment
  - Marines in Diego Garcia
  - [Spooks]

Soviets prepared to move in C-I

→ POLISH – Gen. Strike 15 Oct 1 Hour

~~PLO~~ → Israel

WRV → Buying hostages ⇒

FCS → Partial release of hostages for parts

[Soviets do not lose – in ME]

1037 Dot Wilson → Mr Vaughn →
Alton Slay AF Sgt Comm

22 Sept SFO

1044 JCC – Surrogate

1058 Dot Gray →

1149 Dot Gray – Stilwell (Vogt) (Millenson)
Pat Parker Tom Moore

App. 0856

400050

62 366 1452

13 Oct 80

1100 Whitehouse Lyons —

1149 Charles Walker → Walker Mosle = 488-4775

1151 Gerald Codrotte → 938-5702
Dir — Hostages — all back in Compound, last week.
Women entangled in talkpapers. Confirmed.

- Oder
- Baker
- Haig
- Richardson
- Kissinger
- [redacted] Schultz
- Casey
- [redacted]
- McCloy
- Jane Kirkpatrick
- Rogers
- Ben Armstrong

1552 Carroll Campbell → [redacted] 803-862 3029
232-1536 fc
Cable Jaxton all [redacted] Citizens → 10 days (240 pers)
no effort of Admin — Congressional effort (10 yrs, allows 4.5)
conducted by [redacted] Ben Bidman, working
w/ Cuban dominated Secretary
Cable Dept → Bidman → Knox White

Ben Bidman → Congressional Ad Hoc Committee on Americans held in Cuba
Ben Chaney — Ben Bidman — Tom Cravens, Dave Burgess, Carroll Campbell, Bob Daniels, Ed Derwinski, Bob Donner, Bill Frank, Tom Ganger, Jim Hall, M Hyde Schelling
→ 9148/343-6666 Joe Addabbo →
Reps Members App. 0857
Reps for Mexico bond help → 914 562-5718

Photocopied at the Ronald Reagan Library

MEMO

TO: ED MEESE

FROM: ANTHONY R. DOLAN

RE: HOSTAGE RELEASE

1. I have received this information from an excellent source who is a close associate of someone on the Senate committee on intelligence.

2. This source says his associate has told him the following:

(a) The hostages are assembled in the embassy in Tehran.

(b) A deal has been cut and is a virtual certainity. The deal calls for spare parts in exchange for the hostages.

(c) The hostages will released next week after the Senate committee issues some sort of half-baked apology or explanation for our actions in Iran.

3. What is significant is that this information came to me late yesterday before the Chicago report about spare parts at McGuire Air Force Base.

4. I have been trying all last night and today to check this information but the source is out of town. Am working on it though.

5. Again, not sure of this information at all -- but would suggest call to Ted Stevens about it.

App. 0858

470455

5:8

000990

196

814

October 1980

MEMORANDUM FOR GOVERNOR REAGAN
BILL CASEY
ED MEESE
DICK WIRTHLIN

FROM: DICK ALLEN

This morning at 10:40 I had a call from an unimpeachable source who has received information directly from ABC XYZ.

ABC XYZ has said that the last week of October is the likely time for the hostages to be released. He further told the source that this could come "at any moment, as a bolt out of the blue." To his certain knowledge, "the Iranians want to liquidate the crisis," and do not feel that they must wait for any "particular initiative from the United States."

Bani Sadr has been strengthened in recent weeks, particularly as a result of the conduct of the war. ABC XYZ called the sources attention to the story printed in today's New York Times on page A-14 ("Iranians Said to Want Captives Free") in which Bani Sadr is quoted directly as wanting "to send the hostages home immediately, thus erasing what he regards as the biggest single blot on the record of Islamic Iran."

Regarding the matter of spare parts in exchange for the hostages, ABC XYZ indicated that the Administration had declared publicly and privately that if the hostage matter could be resolved, "we are prepared to listen to any type of relationship they may want, ranging from economic aid to the sale of military spares." He added however, that there was no question of selling the spares prior to the release of the hostages.

The source asked him if Iran is able to get spares clandestinely, and ABC XYZ responded that a limited amount of equipment is available on the open market including "shock absorbers, batteries, pressure gages, vacuum gages and other flight instruments, all the way up to parts for F-4 Phantom jets." However, there are "no significant quantities available," which ABC XYZ indicates would mean that there are "not enough to affect the outcome of the war."

When asked about the prospect for resolution of the hostage crisis, ABC XYZ said that "more and more speeches are coming out of Iran that Iran is being held hostage by this whole crisis, and not the hostages themselves." In other words, he indicated that the Administration feels that some sort of "reality" is creeping into the Iranian leadership at

this point." When asked by the source whether the source should prepare to cover the prospect of release on a daily basis, ABC XYZ said, "No, you are probably safe for this week and maybe even next week. Surprises could happen at the end of the month."

This is main-line information. We are preparing to assess it, and will attempt to keep you posted on a moment's notice of any changes. We will have to be quite attentive to the "bolt out of the blue" aspect.

App. 0860

SENSITIVE AND CONFIDENTIAL

400370

62 366 1456

25 Oct 80

0900 Mtg —

1032 Bill Graves →

[1035 John Wallach → Last wk Oct. — hostages and Muskie.
- Any moment : bolt out of blue
Iranians beyond crisis - no parliamentarians taken promises
- Iran Sadr - strengthened
[TIMES] - London Telegraph → Iranian,
- If Iran no defeat, Shah attempt to rel. hostages
- Speiser = Iran - Iraq - peace talks will take
Iranians prepared to listen to anytype
If not they want, Iran or mid Spears
← No question of Spears first —
- Is Iran getting Spare Parts ?
Stockpile previous Spares also
Parts for phantoms
No sig. quantities → not enough to
affect battlefield
- What prospect of resolution ?
- Need more Spares and further
that Iran being held hostage, and hostages
- Safe thru end ? probable, Surprise
could happen at end of month

1053 Bill Safire →
Opposition ; Peace ; Strength ; Change.
→ Transcript. =

App. 0861

PRIVATE AND CONFIDENTIAL

NINETY-FIVE WALL STREET
NEW YORK, N. Y. 10005

D-240
Duplicate D-97

September 3,1980

Mr. James Baker
Reagan-Bush Committee
901 South Highland St.,4th floor
Arlington, VA 22204

Dear Jim:

Herb Cohen - the guy that offered help on the Iranian hostage situation - called me yesterday afternoon. He says that he feels sure that if Reagan does not goof between now and the election and is leading Carter by the middle of October, Carter will make a move on Iran. He cannot come out now and say that Carter is going to do something on Iran in October because he said everything is a contingency plan that is loose and fluid from day to day. The administration would deny anything he said at this point. They have several contingency plans which call for different types of action but would deny revelation of any of them at this point.

Herb says, however, that if he and others in the administration who really care about the country and cannot stand to see Carter playing politics with the hostages, see Carter making a move to politicize the release of the hostages he and they will come out at that time and expose him.

Herb says the Carter people do not trust the State Department. While Vance was still Secretary of State, Herb made a remark that Vance would know the answer to a particular question and Hamilton Jordan asked him, "What does he know? He's only a desk officer." They don't trust Muskie either. The only people, according to Herb, who make policy are Ham Jordan, Jodie Powell,Cutler and Rosalynn, together with the President. Mondale is sort of on the second tier but not on the inner in.

Herb has a couple of reliable sources on the National Security Council,about whom the administration does not know,who can keep him posted on developments.

Would you like to meet him some time in the next few weeks?

He is also willing to help us evaluate geopolitical situations

and to give political help in the form of assessment of problems and suggesting solutions to them. He is a bright guy and could be quite helpful, I think.

I'll wait to hear from you if you would like to see Herb to discuss both of these matters.

Best regards,

Prescott S. Bush, Jr.

PSB:cda

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

App. 0897 – App. 0903

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

OFFICE OF THE SECRETARY OF DEFENSE

THE MILITARY ASSISTANT

5/25/84

NOTE FOR ASD(ISA)

THRU: USD(P)

For action. SecDef's comments read as follows:

"Rich: We must stop this nonsense. Would you draft for me a very strong memo to Bud McFarlane pointing out this. All this totally undermines our efforts to dry up supplies to Iran."

Colin L. Powell
Major General, USA
Senior Military Assistant
to the Secretary of Defense

84

App. 0915

Translation - French

June 1980

The Charter Masters Company S.A. in Paris, which specializes in arranging difficult air transport was contacted by SETI International to settle a series of light arms shipments between Portugal (the Alverca military air base) and Teheran, Mehrabad Airport, for the Office of the President of the Islamic Republic of Iran (the consignee).

The operation concerned an initial series of 14 consecutive flights in a Boeing cargo 707, and was to be followed by four other series. i.e., a total of 70 flights.

The supplier: F.M.C. Lisbon, represented by Mr. von Hajek, resident at Senlis near Paris, had entered into this transaction with Mr. Heidari, acting as the personal representative (allegedly) of the Presidency of the Iranian Republic. At Heidari's recommendation SETI had been put in charge of the transport and coordination of the operation.

The Portuguese weapons were to be delivered to committees, and in no case was the Iranian Army to be notified about them.

Contact was made with the Lebanese company TMA (Trans-Mediterranean Airways) to lease the Boeing 707s and a contract in principle was accepted. An initial deposit of 50,000 US$ was paid by Charter Masters S.A. into TMA's account at the Société Générale (offices in the Rue Lafayette in Paris) for deploying the first airplane.

The letter of credit for approximately 200 million dollars, it would appear, never reached the supplier, who canceled the operation in August 1980.

A few months later.....a question was brought up in the Majlis Assembly in Teheran.....200 million dollars for purchasing light arms for the committees had been transferred upon instructions from the Ayatollah Rafsanjani (copies of the documents had been circulated by employees of the Markazi Bank), but the weapons in question had still not been delivered. Rafsanjani refused to accept debate on this and the matter was not debated.

A few weeks later, the director of the TMA Company in Paris (Jacques Raphael) issued a denial concerning any operations involving arms transport to Iran by his company's planes.

July 1980

The contacts between Heidari and several French companies, one of which was SETI, were concerned with a number of civilian markets, particularly:

App. 0916.

Equipment CATERPILLAR
GALLION
FIAT UNIC
HILLMAN
MERCEDES BENZ
GENERAL MOTORS (railway equipment)

and various foodstuffs (frozen chickens, meat...) on behalf of state-owned companies in Iran: General Trade Company and Iran Meat Organization.

Mr. Heidari was adroit at presenting these markets as nearly a sure thing, which allowed him to ask for his commissions in advance and then give preference to the company who commissioned him. The vice-president general director [sic] of SETI, the principal stockholder in the company thus personally took the initiative of commissioning Heidari "a priori," even without any business being done (50 percent commission paid in Paris at the Crédit Lyonnais des Champs Élysées and 50 percent in London at the Barclay Bank).

In return for this commission, the SETI Company was conceded exclusive rights to the markets dealt with by Interparts in Iran, of which Heidari was (and still is) a member of the Board of Executives and a minority stockholder.

The commissions collected by Heidari were strictly personal and were not taken into account by the company in Teheran.

August 1980

The general director of Interparts Corp., Karim Minachi, came to Paris to discuss possible contracts and to ratify new agreements with SETI Int.

From the very first meeting, face-to-face with Minachi, various questions were touched on concerning the military sectors and relatively precise information was communicated regarding the needs of the Iranian armed forces.

A first, rather general, proposal was formulated concerning aeronautical equipment (components for the F4, F5, and F14), transmission and surveillance (field radar), and instructors who could take care of training Iranian specialists in this equipment.

It is to be noted that at these meeting only Heidari spoke; the discussions were held in French, and his partner, Minachi, had to be content with rapid asides in Farsi which were given generously.

Following the proposal formulated by Heidari regarding finding specialists in aeronautics and broadcasting, an initial contact was made with a specialist in this kind of operation, enjoying the confidence of the French [special] services: Roger Faulques, just back from a mission to Saudi Arabia. Roger Faulques is considered a super-mercenary who undertakes recruitment and training of military or paramilitary forces (v. Biafra).

A provisory agreement was drawn up subject to an examination of the financial and technical conditions and a tacite agreement with the French [special] services.

App. 0917

- ***THE FINANCIAL CONDITIONS***

These were not really discussed, as Heidari had just suffered a setback after having attempted to do some recruiting in the Marseilles underworld...and contemplating an improbable solution suggested to him by his Marseilles contacts: payment of mercenaries for shiploads of opium. Apparently the major reason for this setback was the complete lack of a "technical profile" for the specialists, making any kind of "contract" for technical assistance completely preposterous. Roger Faulques has done a preliminary study on the technical and social environment (living conditions) for such an operation.

- ***THE TECHNICAL CONDITIONS***

Roger Faulques asked for an up-to-date inventory of the deficiencies and immediate needs of the Iranian armed forces. According to Heidari it would be impossible to draw up an inventory of this sort, as the stockpiles for the Iranian armies had been kept on computer and the programs along with the programmers had vanished. Only with the intervention of specialists could a statement of needs be drawn up and thus the indispensable technical measures put into immediate action.

Heidari then insisted that the technicians to be sent to Iran be French citizens, to which it was replied that, aside from a few technical sectors under French influence, the recruits would be essentially Belgian, Dutch, and German, NATO-trained on the same equipment used in Iran.

Recruitment posed no major problems, and a figure of 60,000 US$ per month and per specialists for non-stop period of three months (one month off between each three-month period) was announced. This sum was to be paid to the recruiter (and a commission paid back to Heidari).

AGREEMENT OF THE FRENCH SERVICES

The head of the action section of the SDECE [=*Service de documentation extérieure et de Contre Espionnage* = Foreign Documentation and Counterespionage Service], de Marolles has been asked to give a green light [to all of this]. The tacit agreement was handed over at de Marolles's home near Bordeaux in early September 1980 to an agent (ex-*chef d'escale* for Air France and SDECE trainee), Pierre Gaudinat, working free-lace for Charter Masters S.A. and recommended by SETI and Roger Faulques for this operation.

The agreement was of course accompanied by the usual restrictions: no diplomatic cover, sole responsibility of Roger Faulques, systematically informing the French services, and the right to veto operations exceeding the strict boundaries of technical assistance.

It was thus agreed, following these various discussions, that no serious work could be done in Iran without a preliminary study of the situation by a mission composed of high-level specialists.

The organization of such a mission and the final agreement of the Iranian authorities were to be finalized when U. De Loreilhe, Jacques Montanes, and Pierre Gaudinat moved to Teheran

App. 0918

in late August of 1980. The first two were to deal with civilian contracts, the last was to coordinate the military aspect of operations.

At the same time, a search was undertaken for the equipment requested by the Iranian armed forces, particularly for anything in the aeronautical sector, in Panama, using as go-between a company owing allegiance to Israel (the name is not yet known, but the director is Israel Koshen in Panama), which was able right then and there to supply F4/F5 engines and Bell Cobra 209 helicopters (about 50) as well as the corresponding spare parts.

The information supplied by this company, taken all in all, leads one to surmise that in Latin America it was most particularly in charge of Israeli army surplus (offer of 2000 Sam 7s, Sherman tanks, Israeli KFIR planes...and not having interested the Iranians.

On the other hand, a company located in Monaco: SICAM (19 boulevard de Suisse) and recommended by a French colonel, a former SDECE official, affiliated with the DST [presumably the *Direction de la Sécurité du Territoire* = Regional Security Administration], had assured the SETI mission that it could supply nearly the total needs of the Iranian Army, and, for purposes of reference, noted the markets it had dealt with for the armies of Zaire and Morocco.

SEPTEMBER 1980

THE SETI MISSION IN IRAN

At the official invitation of Interparts, which was paying all the expenses, and the Ministry of Roads and Transports (Mr. Kalandi), and after various postponements from Heidari...(who had unfortunately not been able to take the same flight because of urgent matters relating to spot contracts for National Iran Oil Corp. being negotiated at Paris). The mission left September 14, 1980 for Teheran.

Welcomed to Teheran by Minachi and lodged at the Teheran Hyatt.

The first contacts set up by Minachi with the various services in the Ministry of Roads and Transports dealt with bringing in equipment made by Caterpillar, Gallion, Fiat Unic, and General Motors Railways Diesel Equipment.

Negotiations were relatively difficult because unexpected competition arose systematically [sic]. The competing companies, upon investigation, proved to be largely companies founded by expatriate Iranians or their figureheads, who had the benefit of privileged information...(ex Kinco, Europe, BV in Holland, and T+T in Basel....)

Finally, after long discussions, a single civilian contract was signed for supplying a company set up just for the purpose by Yves de Loreilhe: Produits et Matières Sarl in Paris, for General Motors Diesel locomotive spare parts valued at 5.7 million US$.

App. 0919

Heidari got to Teheran just before the hostilities with Iraq began, and one of his first concerns was, of course, to exploit an extraordinary situation within the Iranian Army:

- the disorganization of military supply services due to the departure of foreign advisors and the purges of army officers.

- a 50 percent reduction in civilian budgets for transfer to the Ministry of Defense.

- an economic and technical embargo preventing Iranian companies from purchasing materials necessary to the national defense directly.

- sealing of the borders, which, during the initial weeks of the war, prevented foreign suppliers circumventing or not applying the embargo from coming to offer their goods and services.

Profiting from the presence in Interparts offices in Teheran of agents from the European companies SETI and Charter Masters, who were capable of supplying or transporting the equipment needed for Iran's national defense, Heidari immediately contacted his friends and relations in the Iranian Army (Colonel Hatami, especially) to make offers of his services.

An audience with the Ministry of Defense (Colonel Fakuri) was obtained almost immediately, and, in the course of this audience, it was decided to hold a general meeting with all the procurement services of the Iranian armed forces, under the direction of the "chief logistical command" [sic. In English in original -- TRANS], who was at the time Colonel Hatami. An offer was mentioned whereby foreign specialists would be made available, but this was considered premature by Colonel Fakuri.

Three days later, a non-stop workday brought Iranian Air Force, Navy, and Ground Forces specialists together with representatives of the SETI-Interparts delegation.

It should be noted that each branch came accompanied by a "political commissar," who did not take part in the discussions themselves, noted down all comments by the representatives of the Iranian Army.

By day's end an exhaustive list of initial needs had been drawn up. Once again, the urgency of these needs was emphasized:

- AERONAUTICAL EQUIPMENT

- pneumatic F4/F5/F14 spare parts.
- spare parts for Bell (204, 206, 209, 212) Sykorski helicopters...
- an urgent maintenance contract for engines and engine components which were unusable by Iranian Aircraft Industries after the shut down of Bells assembly line at Ispahan.
- Avionics and electronic components (the majority equipment by Collins for the units).

RADAR AND BROADCASTING EQUIPMENT

- field radar (mobile units)
- radio transmitters, all frequencies (field transmitters)
- radio scramblers (Israeli equipment already used by Iranian forces).

App. 0920

- spare parts, equipment of largely British make (Plessey, Marconi U.K.)

VARIOUS EQUIPMENT FOR THE NAVY

- spare parts for a French torpedo ship (combat) as well as ship of the same type as those blockaded in Cherbourg during the general Franco-Iranian dispute.
- munitions (Bofors)
- depth mines (in considerable quantities, probably for mining the Straits of Ormuz.)
- material for camouflage (large quantities).

EQUIPMENT FOR THE GROUND FORCES

- transport vehicles and spare part (large proportion of Soviet equipment)
- spare parts, mortars (TAMPELA - Israeli equipment)
- engines and spare parts for armored vehicles (noted as extremely urgent), particularly for reconnaissance vehicles of type Scorpio as well as for Chieftain and m60 tanks.

All their stated needs, presented very schematically above, amounted to several billion dollars and the SETI/Interparts delegation was assured of numerous and large orders whose value was to be progressive as a function of the possibility of shipment.

The first schema announced amounted to 6 million US$
then 12 " "
" 30 " "
" 80 " "

And after these four stages had been successfully passed, there was to be no limit.

October 80

SETI TRANSACTION

After a superficial study of their needs, it was decided to try a test on the most urgently needed equipment: the engines for the armored vehicles: contact was made with the SICAM Company in Monaco through the SETI offices in Paris for

- 50 J 60 engines for Scorpio vehicles
- 18 MK 8A engines for Chieftain tanks [handwritten: invoice 00133]

The SICAM Company answered loud and clear: total time required would be 17 days for all the Scorpio engines, strong possibility of getting the Chieftain engines in the same time span, but no definite commitment as to price or date.

Under pressure from Heidari a pro-forma invoice was presented to the army for approval: the delivery time for the Scorpios was brought down from 17 to 12 days (taking into account the

five days estimated necessary for transferring the funds from Iran, the shipping time for the suppliers as of the data of order and for the client as of the date the funds are received.)

The impasse occurred over the MK8A Chieftain engines, as Heidari was sure of getting the necessary agreements in case of changes. For this reason approximate rates and shipping times were fixed in the invoice, but with a provisory agreement for adjustments if necessary.

The purchase price of the Scorpio engines was UK£8,205, FOB UK, plus a cost of £400 per engine for the end-user certificate supplied by a country willing to cover the transaction for Iran (standard procedure in sales of strategic materials, the buyer agrees not to resell the material).

The profits from the Scorpio engine operation thus came to:

average exchange rate US$/UK£ in October, 1980: 80:2.20

8205 engine	UK£ x 2.20	=	US$ 18,061
E/U certificate	400 UK£ x 2.20	=	880
Shipping	220 UK£ x 2.20	=	484
UK - Continental Europe			
COST		US$ 19,415	

SALE PRICE US$ 44,777

i.e. a profit of US$ 25,362 per engine, and an total of 1,268,100 for 50 engines.

The SETI pro-forma invoice No. 00133 [handwritten above this number is another number: 3.420.058] dated October 5, 1980 was approved by the army, the transfer of funds requested to the Markazi Bank by order of "Logistical Command," from the Ground Forces budget.

For practical reasons, in view of the political atmosphere in Iran at the time, the SETI Company asked that the funds be transferred to one of its correspondent banks in Switzerland, so as to benefit from the greater flexibility and discretion of Swiss banks, particularly as pertains to payments of commissions.

Faced with the reservations expressed by the president of the Central Bank, Ali Reza Nowbari, about transferring the sum on the invoice without sufficient guarantees and to a Swiss account, the Vice-President General Director of SETI sent him a warning by telex with a copy to the Ministry of Defense (see document 30).

Ali Reza Nowbari, then proceeded on the authority of the Ministry of Defense to transfer the funds, but he also proceeded to revoke Yves de Loreilhe's and Jacques Montanes's passports and prohibited Messrs. Heidari and Minachi from leaving Iranian territory until the transaction was complete. The president of the Central Bank indicated in passing his interest in this type of transaction and let it be clearly understood that they would broadly facilitated if they were initiated by his middleman.

App. 0922

The funds reached Zurich on October 11 via transfer from the Markazi Bank's account at the BNP in Paris. One of SETI's representatives went immediately to Zurich accompanied by a SICAM official in order to set up payment for the British suppliers.

Since SICAM did not want to reveal its "middlemen," an initial transfer of UK£100,000 was paid to Alvis Limited, the real supplier of the Scorpio engines. The transfer represented 30 percent of the total value of the order, the remaining to be paid upon delivery, 17 days later at the most. A supplementary amount of UK£ 20,000 was paid to SICAM for having obtained an "end user certificate."

The British code name for this operation was Pharaoh, because of the contract between SICAM middlemen and the Egyptian Ministry of Defense for supplying Scorpio engines. It was from this contract that the 50 engines for Iran were to be diverted.

Once the 30 percent deposit had been made, the situation began to deteriorate: the time limits turned out to be much less exact, prices changed (higher, of course), and the Chieftain engines were in the end impossible to get.

To cancel the order would have irrevocably entailed the loss of the deposit and all the money already paid out to SICAM.

In the meantime, Heidari had obtained a replacement for the exchange value of 18 Chieftain engines by other equipment of interest to the Iranian Defense Department:

F4/F5 tires
Spare parts for M60/M48 tank engines
Field batteries for transmissions.....

- SICAM then proceeded to purchase equipment for M60/M48 engines to replace the Chieftain engines that they had been unable to supply. Their principal supplier was D.S.D.P. in Milan, Alberto Ghiraldi, an authorized dealer for the Italian armed forces.

- SETI set up contacts with the Israeli diplomatic representatives in Paris. Israel was immediately interested, which was at first expressed by an agreement in principle to supply all the equipment possible under the condition that a meeting be organized with Iranian interlocutors accredited by their government.

And so, the complete list of the immediate needs of the Iranian Army was put in the hands of an Israeli diplomat in Paris.

There was a telephone contact between Heidari and someone called "Alain" in Paris. This contact was set up outside the embassy at a neutral number, and was not later pursued.

A quick investigation by acquaintances of Heidari brought out that the telephone number indicated was that of an apartment occupied by an Israeli diplomat in Paris.

Nevertheless, at the time of this solitary telephone contact, Heidari had given his verbal assent to his Israeli interlocutor to set up a meeting in Paris if the Israelis showed their good will by making significant deliveries of equipment.

App. 0923

- because of the proximity of the first flight, a transfer of US$ 250,000 was made October 21, 1980 to the purchasing mission of the Israeli government, followed on the 23rd of October by a new transfer of US$80,000. The transaction was supposed to have to do with F4 tires and spare parts for TAMPELA mortars, but details were not yet available.

At the same time a caravel owned by Aerotour, a French company was chartered to pick of the Israeli equipment in Tel Aviv (usd 41 977.63, October 23, 1980.)

This plane flew from Paris to Bastia while waiting for the green light from Israel, and then from Bastia to Tel Aviv, where, contrary to the provisions, the Israeli services only gave them F4 retreads and no other equipment...

Loaded with 250 retreaded tires the caravel landed at Nîmes on October 23, where the cargo was loaded on to a DC8.63 belonging to the Cargolux Company, registered TF CCV, chartered by SETI for US$85,000 (over and above maintenance and fuel costs).

Flight authorizations were obtained with the help of the Iranair Company, and the flight was carried out under flight number Iranair 999. [handwritten: document 28]

LOADED ON BOARD THIS PLANE WERE THE FOLLOWING:

- F4 tires from Israel
- M60 spare parts brought from Italy by truck and supplied by the DSDP in Milan
- A sample M48 engine (presumed diesel) brought from Milan by truck (DSDP)
- PRC 77 batteries for radios (1000) bought in Spain (dealer was Tudor).
- One J60 engine for Scorpio. The SICAM Company proved to be incapable of supplying the engines within the required time frame, but benefitting from the extreme tension prevailing in Teheran in the end managed to bring a J60 engine, not in the contract, at a cost of $78,338.25, giving the improbable excuse that the engine had been stolen by a British test pilot at the ALVIS factory, then transported by helicopter to an airport on the border where a DC3 took it off to Nîmes.
- A sample M60 engine (AVDS 1790 A2), intended for this flight had been stopped at the border and could not be shipped out.

Jacques Masson, the director of SICAM, anxious to explain SICAM's standpoint, had taken a seat aboard the CARGOLUX flight to Teheran.

The flight documents had been amended for customs and for purposes of discretion, and so other kinds of merchandise were listed on them.

Faced with the difficulties being encountered by the SICAM Company, SETI turned to another dealer that it knew, Horst von Hajak (introduced to them by Heidari), and in view of the assurances given by the latter, had transferred initially nearly $700,000 for delivery of 35 J60 engines, SICAM having to send 15 engines, representing the amount of the deposit.

Von Hajek received the transfer of funds without any co-signature by revealing his privileged relations with P.R.B., the Belgian company, whose agent he was, apparently.

When SICAM learned that their order had been transferred to Von Hajek, they

- refused to change the deposit for 50 engines into a firm purchase of 15 engines,
- made an anonymous report to the PRB Company in Belgium advising them that the equipment was bound for Iran.

Von Hajak assured SETI-Paris at this time that the engines were available in Great Britain, thanks to the intervention of a personal friend, Mr. Lee, one of the very highest level officials at the British Defense Ministry. Mr. Lee's good will was estimated to be worth £45,000, which were paid out immediately.

And so, by the end of October there were:

- 50 J60 engines ordered from SICAM with no possibility of cancellation.

- 35 J60 motors paid for to Von Hajek with no guarantee of delivery

- 18 MK8 A engines, still not to be found anywhere, but whose value had been replaced by shipments of other equipment.

HEIDARI had then guaranteed delivery sale of 35 surplus engines under the condition and SETI pay a supplemental commission.

The SICAM Company then seized the initiative and proposed sending dealers to Teheran who could put the Iranian authorities' minds at rest concerning their capabilities [of delivering the goods] and led by an Italian general: General Merli, who was confident that he could get access to the stockpiles of NATO matériel for the Iranians.

SETI gave its consent and leased a Lear Jet 35 from Nice to Teheran to carry:

Mr. Ghiraldi: General Director of the DSDP
Mr. Eilo: DSDP engineer responsible for studying how to adapt M48 and M60 engines to Chieftain tanks.
Mr. Thierry: legal counsellor to SICAM (resident in Marseilles)
General Merli

General Merli and DSDP had demanded a $50,000 security deposit for the risks involved (which was never paid back).

Ali Reza Nowbari picked up General Merli when he arrived at the Mehrabad Airport and a meeting was immediately set up in the office of the Defense Minister (not there, detained on the front) with various deputy ministers. However, no definite agreement could be reached.

The delegation left again the next day accompanied by Jacques Masson, after having received fervent promises of contracts, particularly for:

- M60 Tanks (possibly three platoons)
- M60 engines (50 engines) and spare parts
- Recoiler Rifles 106 M/M (250)

App. 0925

On the other hand, soundings had been made for the support of the French authorities, particularly as regards supplies of French matériel, and a favorable echo had been received.

Some key French figures, General Caillaux, General Lacaze,... had their unofficial support conveyed to Nowbari, making themselves freely available to him by direct telephone so as to attest French good will. (See telex dated October 8).

NOVEMBER 1980

The problem with the J60 engines was to be taken care of by Masson when he arrived in Europe,... It wasn't. There was an initial shipment of only nine engines to the Madrid Airport Bajaras in early November. This shipment was accompanied by:

a £725 increase in the price of each engine
- a 15 percent VAT, amounting to £1340 per engine [handwritten: document 26]

In other words, an overall increase of $4500 for each engine with no real justification.

Moreover, SICAM was unable to give any precise date when the remainder of the engines would be available.

On November 12, 1980 SETI paid Von Hajek the sum of $97,725 for five additional J60 engines (payment still made with no guarantee).

The sum total of engines completely paid for then rose to 50.

1 on the initial SICAM flight, delivered to Teheran.
9 delivered to Madrid (SICAM) in expectation of an Iranair charter.
40 completely paid for to Von Hajek -- delivery expected.

After this date, contact was nearly broken off completely with Von Hajek, who appeared only rarely at his residence in France.

In order to clarify the SICAM situation and, in a joint decision with Heidari, it was decided to trace the SICAM network all the way back to "Pharaoh." This latter turned out to be the Kofer Holding Ltd., in Great Britain, in the person of J.H.Smalley, who consented to speak directly with Heidari (SETI preferring not to compromise the money paid to SICAM).

In late November 1980, a shipment of to J60 engines was made to Madrid from London in order to avoid a new abuse of the SICAM Company. Payment was made by certified bank check upon delivery in Madrid to J.H. Smalley, in the company of J. Masson of SICAM, who had travelled aboard a Boeing 737 chartered for this transport.

Suddenly von Hajek resurfaced with the news that he could deliver 10 J60 engines, but not included in the "contract," the remaining 40, already paid for, were to follow on December 15. SETI thus had to finance an additional 10 engines.

App. 0926

And so the total number of J60 engines bought by SETI went up to 100, just to be able to deliver 50 of them, although Heidari was sure he could get a purchase agreement from the army for the extra 50 engines.

The profits from the operation, entirely paid for by the initial transfer from the Markazi Bank, rose theoretically to more than two million dollars.

Von Hajek's 10 engines "not included in the contract" were nevertheless the reason for an additional, last-minute bit of blackmail ($30,000) to put an immediate stop to an investigation by the British services of the Ministry of Defense on prohibited exports of J60 engines to Iran. The engines were nevertheless delivered in Madrid on board a regular Iberia Airlines DC 10 flight London/Madrid. The cases were labelled: FMC Lisbon.

Two Boeing 707s chartered from Iranair flew from Madrid (early November, early December)

Kofer's and Von Hajek's engines were deposited with a forwarding agent in Madrid who sent the shipping documentation to the final destination. The formula was quite simple: merchandise and its documentation headed for Egypt had an Iranair ticket for Cairo from Madrid via Teheran, as if there were no air service (or relations) between Teheran and Cairo, and after notification of Iranair at Mehrabad, the merchandise was automatically sent to the Iranian Army.

The overall situation was, however, not encouraging. All the profits after payment of the commissions Heidari had demanded had gone to dishonest and defaulting suppliers. SICAM had collected nearly $400,000 by overbilling and refused to reimburse these ill-gotten sums in spite of Heidari's intervention and that of the Iranian Embassy in Paris. Von Hajek had disappeared with one million dollars and was now located in Miami.

Heidari contacted one of his acquaintances in the Paris underground, a certain Monsieur Michael, well-known by the police and considered a killer by Police Commissioner Foll, in order to study the possibility of using more persuasive means to recover these funds. He intended, of course, to retrieve the money for himself, rather than his partners or associates.

Elsewhere, on November 12, 1980 an official request was transmitted to the French Ambassador in Teheran, Mr. Georgi, relating to supplying Iran with military equipment. This request was paired with several Iranian proposals as the a favorable settlement of the Franco-Iranian dispute and the awarding of some very big contracts (rebuilding the petroleum plants after the war, for instance).

Heidari gave an account to the Ambassador and the Military Advisor at the French Embassy of the facilities he could have from Bani Sadr and which he could put at the disposal of the French diplomatic representatives in Iran.

The ambassador gave first a pro-temp response and then one in the negative because of the diplomatic situation and the American hostages in Iran, after consultation with the French government about 15 days after the offer.

At the same time various contacts were being set up at Heidari's initiative with possible suppliers of strategic equipment. One of these was a certain Sarabki, introduced as a

privileged arms supplier to Saudi Arabia and a permanent resident of the Hôtel Georges V in Paris. These contacts dealt largely with satisfying the Air Force's extremely urgent need for spare parts and electronic material. Sarabki would not accept an exchange by telex or telephone; he wanted a physical contract exclusively.

DECEMBER 1980

When the contract with SETI was due to expire, and in spite of numerous difficulties, some equipment actively sought by Iran had been delivered, a new contract was being considered. Heidari began via telex exchanges with SICAM and others, to put together a dossier concerning the possible supplying of other strategic materials (F4s blockaded in Israel, Torpedo-ships in Cherbourg, spare parts for Bell helicopters in Milan...) so that he could have a mission from the Ministry of Defense conferred on himself.

Heidari was also in regular contact with Ali Reza Nowbari. A proposal by the chairman to buy up a majority of INTERPARTS by proxy had been rejected by Minachi. This proposal was tied in with the immediate transfer of 200 to 300 million dollars for theoretical arms purchases...The directors of INTERPARTS were to leave Iran, equipped with safe-conduct passes, to cede back 80 percent of the sums transferred and rebuild their lives with the rest.

A complaint from "Logistical Command" relating to the SETI contract reached INTERPARTS: The M48 engine supplied by DSDP was not in conformity [with specifications, presumably], the parts for the M60 engines were too expensive...A $200,000 reimbursement was demanded from SETI. Which Heidari commuted into five additional J60 engines, delivered gratis. This verbal agreement was obtained, it appears, from General Farivar. There were no witnesses.

These five engines were to be subtracted from the delivery expected from Von Hajek, who had disappeared. In order to settle this dispute, Heidari obtained from the Ministry of Defense and the Markazi Bank permission for one of the two Frenchmen detained in Iran for this contract to return to France. Y. de Loreilhe, in charge of the funding, and confident of being able to settle the financial difficulties, was thus able to leave Iran on December 19 980....four days after Heidari had received his orders [for the mission] from the Defense Ministry.

Looking at the facts, it would appear that Heidari had very probably manipulated Loreilhe's release so that he could use him to get back:

-- the reimbursements expected from SICAM
-- the return of the funds given Von Hajek
-- the commission for the contract signed with the Iranian State Railways..

A contract amounting to about 80 million dollars was negotiated before Heidari's departure. The agreement in principle was given by the Ministry of Defense and the details were discussed with General Farivar.

This contract was based on urgent needs transmitted by "Logistical Command," and corresponded to a strategic maneuver planned for the front by the ground army.

Quantities and prices of the equipment were listed with no research into available stockpiles or as a function of the lowest reference prices on the market.

App. 0928

The beneficiary of this contract was to be Universal Oil Trade, in the person of Mr. Sarabki, an acquaintance of Mr. Heidari (negotiations for the spot contract for NATIONAL Iran Oil Corp.)

For information only: Minachi had been introduced to Sarabki when he was in Pais in August of 1980.

A (verbal) agreement of cooperation between SETI and Universal Oil Trade had been acknowledged by INTERPARTS.

The contract between the Ministry of Defense and INTERPARTS was signed December 31, 1980, i.e., after Heidari's departure from Teheran.

As soon as Heidari arrived in France, he contacted, naturally, Sarabki, to exploit the contract ....[illegible] signature. It would seem that from the very beginning, Universal Oil Trade had acknowledged that it was in now way capable of supplying the desired equipment, and had left it up to Heidari himself to find something to satisfy the Iranian Army.

As a result, Heidari contacted some suppliers, and, in particular, Mr. J.H. Smalley of Kofer Holdings Ltd, with whom he met twice in Paris (late December 1980, and in January of 1981).

Heidari's first obstacle: Yves de Loreilhe, who, had learned, after all the blunders during the first contract, how to set up a favorable situation the second time around.

Yves de Loreilhe had paid for five additional engines by transferring $95,000 to J.H. Smalley in order to free the last Frenchman held in Iran. Heidari managed to block delivery of the five engines in order to neutralize Y. de Loreilhe. Between an unfilled dossier with the Iranian Army and a Frenchman being held in Iran and dependent on his partners, Heidari was increasing his possibilities for personal maneuvering.)

In between-times, harassed by his partners on the telephone, Heidari reported stocks of equipment available and at extraordinarily low prices for the material listed in the contract, with, however -- causing some doubt in his partners' minds -- Heidari forgetting to take notes, the prices changed every day.

While de Loreilhe was expanding his contacts in an attempt to get the five engines released and to locate Von Hajek, the dialogue with Heidari was nevertheless maintained, particularly insofar as it concerned SICAM, so as to obtain the demanded reimbursements. Several meetings took place in Nice between the directors of SICAM, Mr. Y. de Loreilhe, Heidari, and Michael, his "killer."

After one of these meetings Heidari obtained a check in his name for $140,000 issued by SICAM, most probably after a little persuasion from the above-named "Michael."

It would appear that neither the check nor the amount it was made out for ever reached SETI.

Neither Universal Oil Trade nor Sarabki every replied to requests for information from Interparts in Teheran, either by telex or by phone.

App. 0929

Heidari became more and more difficult to locate, his only regular contact: the Embassy of Iran in Paris where he went regularly (contact in Paris: Mr. Jaffari, first secretary at the embassy).

Heidari began to let his military contacts in Iran in the army know that some of the equipment called for in the contract could not be delivered in time, and, benefitting from the panic ensuing from this kind of remark (all the officers, regardless of who they are, are afraid of the Post-Revolution), he got them to substitute equipment which was available for that which had been ordered. It was completely out of the question vis-à-vis the supreme commanders of the Iranian Army to consider freezing nearly 80 million dollars without any equipment being delivered. This could have been interpreted as an attempt to sabotage efforts to provision the Iranian Army.

It should be noted that the main part of his proposed changes of matériel called for in the contract was discussed with the army, and not with his partners at Interparts, by direct telephone connection.

In January and February of 1981, a technical mission headed by the former chief of Logistical Command, Colonel Hatami, went to Europe, first of all, to Switzerland, in order to report on the activities of a company founded with the support of a certain Mr. Baumann. This company jointly directed by an Iranian general (General Sovohad), was responsible for procuring equipment considered "critical" by the Iranian authorities. The great scope accorded this company by Iranian officials brought it immediately to the attention of the American secret service, which neutralized it with the Swiss Special Services.

This mission, whose itinerary covered almost the whole of Europe, never, it would seem, made contact with Heidari, although their paths crossed at the same date in France, Spain, and Portugal.

Through J.H. Smalley, Heidari made some contacts in Spain, where he considered transferring the major part of the letter of credit for the purchase of approximately 50 M48 A5 tanks, which were being reconditioned in Spain, and in Portugal, where he was put in touch with X-TRA. Heidari had become Sarabki's travelling commercial representative. Sarabki himself had never shown more than a perfunctory interest in the contract.

With the help of X-TRA, in the person of its marketing representative, Angelo Caldas, Heidari made numerous offers to the Iranian Army (General Farivar) for substitute equipment. These offers were not accepted.

In order to strengthen his position vis-à-vis X-TRA, Heidari had the Iranian Embassy in Paris send a telex confirming his mandate as representative of Iran's National Defense.

M. de Loreilhe of SETI was not kept informed of Heidari's doings and the contract was almost broken, except for some General Motors Diesel spare parts for Iranian State Railways in which Heidari was still interested.

The chargé d'affaires for the Iranian Islamic Republic in Spain went to Portugal in February of 1981 in order to verify the presence of some crates in a warehouse at the Lisbon Airport.

App. 0930

He then returned to Paris to sign (for a commission of $100,000) some documents submitted by Heidari.

The documents matching the letter of credit for a value of 56 million dollars was sent to the Banque de la Méditerannéee in Paris, which forwarded them to the Melli Bank. The five-percent bank guarantee, an indispensable preliminary to making any use of the credit, had never been paid.... The funds were made available February 9, 1981 with no trouble.

Notification that there were several letters of credit totalling 13 million dollars arrived at the X-TRA Company in Lisbon, but the credit was never authorized or confirmed.

At the same time, Heidari's partners in Iran and the Iranian Army began to find Minachi's statements highly disquieting (statements repeated for many days now). Heidari's authority to negotiate in the name of the Iranian Defense Ministry was annulled and the Iranian Embassies in Europe were advised to this effect by "Logistical Command." Being completely unable to located Heidari, who refused to make any sort of contact, Interparts had a telex sent to its corresponding bank in Paris: Produits et Matières Sarl/ Mr. Yves de Loreilhe to supervise the transaction. Yves de Loreilhe then sent several telexes warning the Melli Bank and the Banque de la Méditérannée in Paris.

Thus threatened, Heidari and his assistant, Michael, set up a meeting with Loreilhe in Paris, the latter being accompanied by an acquaintance of his who had taken part in the affair of the engines, Colonel Claude Jambel.

Heidari had intended to discourage de Loreilhe whims by the most persuasive means possible. The episode has been widely reported in the press.

Having failed in this attempt and in view of the shifting opposing forces, Heidari took flight abandoning all his personal effects (papers, check books...) and took refuge in Geneva in the company of Sarabki...and Angelo Caldas from X-TRA was in Paris that day...!

It should be noted that the rapidity and extent of the police intervention (less than 15 minutes) give rise to the thought that some of the principals in confrontation were most probably under surveillance.

The next day, after searching the premises of the Overseas Company (a company created a few days earlier by Heidari and Sarabki) as well as Sarabki's suite at the Georges V, a certain number of documents considered compromising to certain French companies and public figures were confiscated...

As of then a complete and total silence was imposed on the affair.

The X-TRA Company was, however, not desirous of losing the market which it had glimpsed, and as they had already profited from a down payment by Sarabki to purchase.... Israeli equipment (106 recoilless rifles: 150 units of this type of equipment were shipped from Haifa to Porto, then transferred to the Lisbon Airport where an Iranair Boeing 707 came to take away 90 of them, the remaining 60 being blocked by the Lisbon forwarding agent because of payment problems (March 1981).

App. 0931

Perceiving the Heidari and Sarabki were both crooks, X-TRA broke all contact with them and tried, unsuccessfully, to deal directly with the Iranian chiefs of staff.

From Geneva, where he had taken refuge for the moment, Heidari continued to entertain the myth of a shipment of matériel...from Brazil. Heidari's lawyer in Paris (Maître Marchand) even produced some documents for the Iranian Embassy in Paris. A maritime bill of lading sent to Rio for a ship named Sydkust which, need it be said? never reached Iran.

A telephone conversation between Heidari and Sarabki in Geneva and Minachi in Teheran even ended in a warning by Sarabki to Minachi to the effect that the latter better never leave Iran, under threat of execution the minute he does.

Monsieur de Loreilhe pressed charges against Monsieur Heidari for the attack on him on the Avenue Georges V. Heidari under pressure from the French police paid the equivalent value of 11 J60 engines finally claimed by the Iranian Army from SETI as the balance of the first contract, in order to obtain the authorization for the Frenchman being held in Iran to leave.

The probable reason for the increase in the sum total of the lawsuit is Heidari's defaulting on payment of commissions to his contacts for the Iranian Army.

SETI/Y. de Loreilhe took more than five months to settle the dispute which brought them into conflict with the Iranian Army. In spite of pressure on him from the French government, Heidari continues to plunder the casinos of the Côte d'Azur (he apparently has no more use for irradiated red mercury, which he was looking for in Europe to make counterfeit dollars, nor does he need a buyer for opium available in large quantities in Iran.)

In the meantime, General Farivar has tried to commit suicide in his cell.

The directors of Interparts have been arrested.

The various political factions in Iran have seized on the affair.

The Frenchman, after several attempts to escape and without any diplomatic support from his country, after having become acquainted with prison and the threats of the committees, was allowed to leave Iran on June 1, 1981, although not before having to pay a fine to the Ministry of Justice for "being in the country without proper authorization."

The chairman of the Markazi Bank, in spite of his protests about the Frenchman's complicity in this monstrous swindle has been nonsuited by the Minister of Defense and his assistants, his personal responsibility is involved. Four staff members of the Markazi Bank have been imprisoned; their relations with Heidari are beginning to come to light.

These affairs are not unique. Without being able to quote details, it is nevertheless well known by certain credible and well informed persons that numerous transactions involving several tens of millions of dollars have all ended badly:

-- Purchase of Chieftain equipment, shipment of Lockheed C5As from the Iranian Army to Madrid...Mismatched engines, having nothing in common with the equipment requested...the planes returned empty.

- Purchase of sugar from Sri Lank (80 million dollars) through a Swiss broker. The transaction was directed by Mr. Nowbari of the Markazi Bank, payment was received, but the sugar apparently "melted" before it got there.

-- Purchase of "components" for M60 tank motors (several tens of millions of dollars): when the ship docked at Bandar Khomeini, the crates were found to be filled with unusable pumps.

The same stories could be told for the Dutch chickens, the rice from Thailand...

In view of the political agitation and the total disorganization (or incompetence) of the government's purchasing office, it would seem that swindling is about to become the national sport.

This still does not explain the complete liberty enjoyed by Mr. Ahmad Heidari, whose political importance is null in France as well as Iran, and who has his residence permits renewed without difficulty in spite of the complaint lodged against him by Mr. de Loreilhe and the Iranian government.

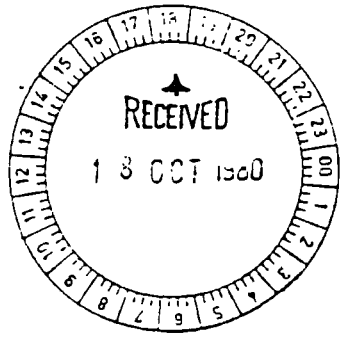
Translated by
David Skelly
CRS - Language Services
August 19, 1992

- App. 0933

92-586 IVIC-

DIPLO

18/10



213902 G'MRR IR =
213902 G'MRR IR
SETINTE 650700F

ATT MM YDL / JM

VEUILLEZ SVP TRANSMETTRE LE TELEX SUIVANT A MR ALI RAZA NOWHARI:

MONSIEUR LE GENERAL DE DIVISION ROBERT CAILLAUX , SUR DEMANDE
DE MR LE GENERAL DE CORPS D ARMEES
LACAZE GOUVERNEUR MILITAIRE
DE PARIS, HOTEL DES INVALIDES (TEL 550 3260) EST PRET A UNE
A APPEL TELEPHONIQUE POUR DE VOTRE PART POUR AUTHENTIFIER
MR LE COLONEL JAMBEL, DES SERVICES DE LA DEFENCE DU TERRITOIRE
MR LE COLONEL JAMBEL A SERVI ET SERT D INTERMEDIAIRE A
DU GOUVERNEMENT DE NOTRE PAYS POUR FAIRE AVANCER LE
EN COURS. MR LE COLONEL JAMBEL VOUS CERTIFIERA
SETI EST PERSONA GRATA AUPRES DE NOTRE GOUVERNEMENT
SA CONFIANCE. LUNDI LA LIGNE
DE CONDUITE SERA DETERMINEE PAR LES PLUS HAUTES
ET UN CONTACT OFFICIEL TELEPHONIQUE PROPOSE EN
WEEK END.

SINCERES SALUTATIONS
J POURQUIN
SETI
SETINTE 650700

App. 0934

TELEX INTRODUCING SETI REPRESENTATIVES TO FRENCH INTELLIGENCE
10/18/80 -- TRANSLATION

Please transmit the following Telex to Mr. Ali Raza Nobari:

"General Division" Robert Caillaux, at the request of "General of Army Corps" Lacaze, Military Governor of Paris, Hotel des Invalides (tel: 550-3280), is ready to receive a telephone call on your behalf to authenticate Colonel Jambel, Defense of Territory Services, Colonel Jambel served and serves as intermediary for the government of our country until the successful conclusion of the negotiations (?) now in progress.

Col. Jambel certifies to you that (?) SETI is persona grata in the view of our government and has our confidence. Monday, the policy to be followed will be determined by the highest (?) and we propose a telephone call while waiting.

We ask you to please call Gen. Caillaux as soon as possible at 73.97.24.23, at his weekend home.

App. 0935

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- x

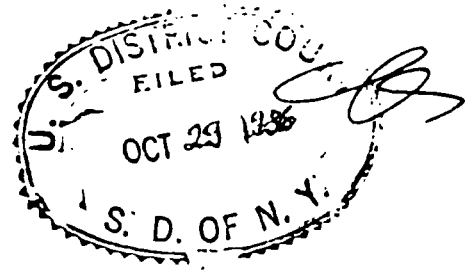
UNITED STATES OF AMERICA, :

- v - : SUPERSEDING INDICTMENT

SAMUEL EVANS; GURIEL EISENBERG; RAFAEL ISRAEL EISENBERG; WILLIAM NORTHROP; ABRAHAM BAR'AM; NICO MINARDOS; ALFRED FLEARMOY; HERMANN MOLL; RALPH KOPKA; HANS BIHN; ISAAC HEBRONI; JOHN DELAROQUE; BERNARD VEILLOT; B.I.T. COMPANY, IMPORT, EXPORT, AND METALS LIMITED; DERGO ESTABLISHMENT; FLEAR HOLDINGS INCORPORATED S.A.; INTERNATIONAL PROCUREMENT AND SALES, INC. and VIANAR ANSTALT, : SSSS 86 Cr. 384 (LBS)

Defendants. :

- x



COUNT ONE

The B.I.T. Company Arms Deal

The Grand Jury charges:

1. From on or about October 15, 1985, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, WILLIAM NORTHROP, NICO MINARDOS, ISAAC HEBRONI and B.I.T. COMPANY, IMPORT, EXPORT, AND METALS LIMITED (hereafter "B.I.T. COMPANY"), together with others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other:

MICROFILM
OCT 29 1986 3 00 PM

E. On or about February 24, 1986, the defendant SAMUEL EVANS mailed B.I.T. Pro Forma Invoice No. 2199/86 PROMIL to Galaxy Trade, Inc. in the Southern District of New York.

F. On or about February 26, 1986, in the Southern District of New York, the defendant SAMUEL EVANS met with the putative buyers and discussed providing the sellers proof of the funds available for the purchase of U.S. Defense Articles, obtaining from the sellers end user certificates, and shipping the defense articles from Israel to Iran.

G. On or about March 10, 1986, the defendants SAMUEL EVANS and NICO MINARDOS travelled to Israel to meet with the defendants GURIEL EISENBERG and RAFAEL ISRAEL EISENBERG concerning the proposed sale of U.S. Defense Articles.

H. On or about March 25, 1986, in the Southern District of New York, the defendant NICO MINARDOS met with the putative purchaser and discussed the shipment of the above-described U.S. Defense Articles from Israel to Iran.

I. On or before April 9, 1986, the defendants GURIEL EISENBERG and RAFAEL ISRAEL EISENBERG had confirmed the availability of end user certificates for the U.S. Defense Articles listed in paragraph 3 above, except the Skyhawk Aircraft.

J. On or before April 13, 1986, the defendant SAMUEL EVANS prepared draft contracts and draft letters of credit for the sale of the U.S. Defense Articles listed in paragraph 3 above by the defendant B.I.T. COMPANY to Galaxy Trade, Inc. for Iran.

(Title 18, United States Code, Section 371.)

COUNT TWO

The Dergo Establishment Arms Deal

The Grand Jury further charges:

6. From on or about February 10, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, NICO MINARDOS, and DERGO ESTABLISHMENT together with others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other:

a. to defraud the United States and its agencies, the Department of State and the Department of Defense, of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, to wit, the right of the State Department and Defense Department, delegated by the President of the United States, to regulate and control the exportation and subsequent resale and transfer of U.S. Defense Articles in accordance with the foreign policy of the United States, as provided in Title 22, United States Code, Sections 2751, 2752, 2753, 2761, 2762 and 2778, and Title 22, Code of Federal Regulations, Subchapter M (International Traffic In Arms Regulations);

b. to violate Title 22, United States Code, Section 2778(c), and Title 22, Code of Federal Regulations, Sections 121.1, 123.9, 123.10, 126.1(a) and 127, by combining, conspiring, confederating and agreeing together and with each other to make an untrue statement of a material fact and omit to state a material fact required to be stated in applications to the

United States Department of State or the United States Department of Defense for approval to resell, divert, transfer, transship and dispose of certain U.S. Defense Articles; and

c. to violate Title 18, United States Code, Section 1001, by combining, conspiring, confederating and agreeing together and with each other to falsify, conceal and cover up by trick, scheme and device, a material fact, and to make and cause to be made false, fictitious and fraudulent statements and representations, and use and cause to be used false writings and documents knowing the same to contain false, fictitious and fraudulent statements, in a matter within the jurisdiction of the United States Department of State and the United States Department of Defense, departments and agencies of the United States.

Object of the Conspiracy

7. An object of the conspiracy was to resell, divert, transfer, transship and dispose of the following U.S. Defense Articles, among others, from a foreign country or countries to and in Iran, or to export the following U.S. Defense Articles from the United States to Iran, contrary to the policy of the United States to prevent the transfer of U.S. Defense Articles to Iran and to deny licenses and other approvals relating to U.S. Defense Articles destined for Iran:

13	RF-5 "Tiger" Tactical Reconnaissance Fighter Aircraft
5000	I-TOW Missiles, BGM-71A, Improved
2	Turboshaft T56A7B Engines for C-130-E "Hercules" Aircraft
100,000	M-437A1 Shells for 175 MM Artillery

1	T53L703 Free Turbine Turboshaft Engines for AH-1J "Cobra" Helicopter
517	Spare Parts for F-4 "Phantom" Aircraft
2	Afterburner Units for J79-GE-15 Jet Engine for F-4D "Phantom" Aircraft
500	Components for Airborn Radar Warning System for Fighter Aircraft
4200	Spare Parts, AN/PRC-77 Tactical Radios
6	Stores (Armament Load) Ejectors for AH-1J "Cobra" Helicopter
8000	AN/PRC-6 Portable Tactical Radios
4000	Power Tubes for VRC-12 Radio
1	Test System for F-4 "Phantom" Aircraft Inertial Navigation System
72	Pieces Test Equipment for F-4 "Phantom" Aircraft
50	Rotary Assemblies for 20 MM M-61 Gatling Gun
44	Solid State Amplifiers for TPS-43 Radar
900	Spare Parts for APQ-120 Radar on F-4 "Phantom" Aircraft
350	105 MM M-68 Guns on Westernized T-55 Main Battle Tanks

Methods and Means of the Conspiracy

8. Among the methods and means to be employed by the defendants and their co-conspirators in accomplishing the conspiracy were the following:

A. It was part of the conspiracy that the defendant SAMUEL EVANS would act as an intermediary between the buyer and seller of U.S. Defense Articles destined for Iran.

B. It was further part of the conspiracy that the defendants WILLIAM NORTHROP and ABRAHAM BAR'AM would obtain U.S. Defense Articles, and through the defendant DERGO ESTABLISHMENT, would sell them to Galaxy Trade, Inc. for Iran.

C. It was further part of the conspiracy that the defendants WILLIAM NORTHROP and ABRAHAM BAR'AM would obtain end user certificates that would falsely and fraudulently attest that the U.S. Defense Articles were destined for a country acceptable to the United States.

D. It was further part of the conspiracy that the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and others known and unknown to the Grand Jury, would represent and cause to be represented to the United States Department of State or Defense in applications to export or to resell, divert, transfer, transship and dispose of the U.S. Defense Articles that they were destined for a country or countries that were acceptable to the United States.

E. It was further part of the conspiracy that the defendant NICO MINARDOS would arrange for the shipment of the U.S. Defense Articles from a foreign country to Iran.

OVERT ACTS

9. In furtherance of this conspiracy and to effect its objects, the following overt acts, among others, were committed:

A. On or about February 26, 1986, in the Southern District of New York, the defendant SAMUEL EVANS met with the putative buyers and discussed travelling to Israel in part to meet with the defendant WILLIAM NORTHROP and discuss the proposed sale of U.S. Defense Articles.

B. On or about March 10, 1986, the defendants SAMUEL EVANS and NICO MINARDOS travelled to Israel in part to meet with the defendant WILLIAM NORTHROP concerning the proposed sale of U.S. Defense Articles.

C. During the period from on or about March 14, 1986, to April 3, 1986, the defendant WILLIAM NORTHROP sent to the defendant SAMUEL EVANS approximately 20 to 30 pro forma invoices of the defendant DERGO ESTABLISHMENT offering to sell U.S. Defense Articles for specified prices.

D. On or about March 18, 1986, the defendant SAMUEL EVANS mailed to Galaxy Trade, Inc., in the Southern District of New York, two documents on the letterhead of the defendant DERGO ESTABLISHMENT and signed by the defendant WILLIAM NORTHROP -- one an offer to sell U.S. Defense Articles at specified prices including the cost of end user certificates, and a second regarding the necessity for end user certificates.

E. On or before April 13, 1986, the defendant SAMUEL EVANS prepared draft contracts and draft letters of credit for the sale of U.S. Defense Articles by the defendant DERGO ESTABLISHMENT to Galaxy Trade, Inc. for Iran.

F. On or about April 13, 1986, the defendants SAMUEL EVANS, WILLIAM NORTHROP and ABRAHAM BAR'AM met with others and discussed the proposed sale described in the foregoing paragraphs.

(Title 18, United States Code, Section 371.)

COUNT THREE

The Flear Holdings Arms Deal

The Grand Jury further charges:

10. From on or about February 24, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, ALFRED FLEARMOY, RALPH KOPKA, HANS BIHN, and FLEAR HOLDINGS INCORPORATED S.A. (hereafter "FLEAR HOLDINGS"), together with others unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other:

a. to defraud the United States and its agencies, the Department of State and the Department of Defense, of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, to wit, the right of the State Department and Defense Department, delegated by the President of the United States, to regulate and control the exportation and subsequent resale and transfer of U.S. Defense Articles in accordance with the foreign policy of the United States, as provided in Title 22, United States Code, Sections 2751, 2752, 2753, 2761, 2762 and 2778, and Title 22, Code of Federal Regulations, Subchapter M (International Traffic In Arms Regulations);

b. to violate Title 22, United States Code, Section 2778(c), and Title 22, Code of Federal Regulations, Sections 121.1, 123.9, 123.10, 126.1(a) and 127, by combining, conspiring, confederating and agreeing together and with each other to make an untrue statement of a material fact and omit to state a material fact required to be stated in applications to the

United States Department of State or the United States Department of Defense for approval to resell, divert, transfer, transship and dispose of certain U.S. Defense Articles; and

c. to violate Title 18, United States Code, Section 1001, by combining, conspiring, confederating and agreeing together and with each other to falsify, conceal and cover up by trick, scheme and device, a material fact, and to make and cause to be made false, fictitious and fraudulent statements and representations, and use and cause to be used false writings and documents knowing the same to contain false, fictitious and fraudulent statements, in a matter within the jurisdiction of the United States Department of State and the United States Department of Defense, departments and agencies of the United States.

Object of the Conspiracy

11. An object of the conspiracy was to resell, divert, transfer, transship and dispose of the following U.S. Defense Articles, among others, from a foreign country or countries to and in Iran, contrary to the policy of the United States to prevent the transfer of U.S. Defense Articles to Iran and to deny licenses and other approvals relating to U.S. Defense Articles destined for Iran:

100-150	M-60 Engines and Gearboxes
100	M48 Main Battle Tanks

Methods and Means of the Conspiracy

12. Among the methods and means to be employed by the defendants and their co-conspirators in accomplishing the conspiracy were the following:

A. It was a part of the conspiracy that the defendants HANS BIHN and RALPH KOPKA would bring together the seller and buyer of U.S. Defense Articles destined for Iran.

B. It was further a part of the conspiracy that the defendant ALFRED FLEARMOY, through the defendant FLEAR HOLDINGS, would obtain U.S. Defense Articles and sell them to Galaxy Trade, Inc. for Iran.

C. It was further part of the conspiracy that the defendant ALFRED FLEARMOY would obtain end user certificates that would falsely and fraudulently attest that the defense articles were destined for a country acceptable to the United States.

D. It was further part of the conspiracy that the defendants, SAMUEL EVANS, ALFRED FLEARMOY, HANS BIHN, and RALPH KOPKA, together with others unknown to the Grand Jury, would represent and cause to be represented to the United States Department of State or Defense in applications to resell, divert, transfer, transship and dispose of the U.S. Defense Articles that they were destined for a country or countries that were acceptable to the United States.

Overt Acts

13. In furtherance of this conspiracy and to effect its objects, the following overt acts, among others, were committed:

A. On or about February 24, 1986, the defendants RALPH KOPKA and HANS BIHN introduced the defendant ALFRED FLEARMOY to the defendant SAMUEL EVANS as a potential supplier of U.S. Defense Articles for Iran.

B. On or about March 18, 1986, the defendant ALFRED FLEARMOY prepared a list of military equipment, including U.S. Defense Articles, available for sale.

C. On or about March 25, 1986, the defendant SAMUEL EVANS sent the above-described list of military equipment to the putative buyer for Iran in the Southern District of New York.

D. On or about April 21, 1986, in the Southern District of New York, the defendants ALFRED FLEARMOY and RALPH KOPKA met with the putative purchaser for Iran and determined the items and quantities of U.S. Defense Articles to be sold.

E. On or about April 22, 1986, in the Southern District of New York, the defendant HANS BIHN met with the putative purchaser for Iran and discussed the proposed sale described in the foregoing paragraphs.

(Title 18, United States Code, Section 371.)

COUNT FOUR

The International Procurement Arms Deal

The Grand Jury further charges:

14. From on or about December 23, 1985, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, HERMANN MOLL and INTERNATIONAL PROCUREMENT AND SALES, INC. (hereafter "INTERNATIONAL PROCUREMENT"), together with others unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other:

a. to defraud the United States and its agencies, the Department of State and the Department of Defense, of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, to wit, the right of the State Department and Defense Department, delegated by the President of the United States, to regulate and control the exportation and subsequent resale and transfer of U.S. Defense Articles in accordance with the foreign policy of the United States, as provided in Title 22, United States Code, Sections 2751, 2752, 2753, 2761, 2762 and 2778, and Title 22, Code of Federal Regulations, Subchapter M (International Traffic In Arms Regulations);

b. to violate Title 22, United States Code, Section 2778(c), and Title 22, Code of Federal Regulations, Sections 121.1, 123.9, 123.10, 126.1(a) and 127, by combining, conspiring, confederating and agreeing together and with each other to make an untrue statement of a material fact and omit to state a material fact required to be stated in applications to the United States Department of State or the United States Department

of Defense for approval to resell, divert, transfer, transship and dispose of certain U.S. Defense Articles; and

c. to violate Title 18, United States Code, Section 1001, by combining, conspiring, confederating and agreeing together and with each other to falsify, conceal and cover up by trick, scheme and device, a material fact, and to make and cause to be made a false, fictitious and fraudulent statements and representations, and use and cause to be used false writings and documents knowing the same to contain false, fictitious and fraudulent statements, in a matter within the jurisdiction of the United States Department of State and the United States Department of Defense, both departments and agencies of the United States.

Object of the Conspiracy

15. An object of the conspiracy was to resell, divert, transfer, transship and dispose of the following U.S. Defense Articles, among others, from a foreign country or countries to and in Iran, contrary to the policy of the United States to prevent the transfer of U.S. Defense Articles to Iran and to deny licenses and other approvals relating to U.S. Defense Articles destined for Iran:

15	F-4 Aircraft
10	Engines for F-4 Aircraft
	Spare Parts for F-4 Aircraft
200	Engines for M-48 Tanks
15	VA-145 Pulsed Twystr. Amplifiers

Methods and Means of the Conspiracy

16. Among the methods and means to be employed by the defendants and their co-conspirators in accomplishing the conspiracy were the following:

A. It was a part of the conspiracy that the defendant SAMUEL EVANS would act as an intermediary between buyer and seller.

B. It was further part of the conspiracy that the defendant HERMANN MOLL, together with others unknown to the Grand Jury, through the defendant INTERNATIONAL PROCUREMENT, would obtain U.S. Defense Articles and sell them to Galaxy Trade, Inc. for Iran.

C. It was further part of the conspiracy that the defendant HERMANN MOLL and others unknown to the Grand Jury would obtain end user certificates that would falsely and fraudulently attest that the U.S. Defense Articles were destined for a country acceptable to the United States.

D. It was further part of the conspiracy that the defendants, SAMUEL EVANS and HERMANN MOLL, together with others unknown to the Grand Jury, would represent and cause to be represented to the United States Department of State or Defense in applications to export or to resell, divert, transfer, transship and dispose of the U.S. Defense Articles that they were destined for country or countries that were acceptable to the United States.

OVERT ACTS

17. In furtherance of this conspiracy and to effect its objects, the following overt acts, among others, were committed:

A. On or about December 23, 1985, the defendant SAMUEL EVANS informed the putative buyer of U.S. Defense Articles for Iran of the availability for sale of 15 F-4 Aircraft then held by the Egyptian Air Force, in addition to other items of military hardware.

B. On or about January 14, 1986, and January 17, 1986, the defendant HERMANN MOLL signed pro forma invoices of the defendant INTERNATIONAL PROCUREMENT offering U.S. Defense Articles.

C. During the period from on or about January 29, 1986, up to and including February 7, 1986, the defendant HERMANN MOLL attempted to obtain satisfactory proof of funds available in the Southern District of New York for the purchase of U.S. Defense Articles.

D. On or about February 7, 1986, the defendant SAMUEL EVANS wrote a letter to the defendant HERMANN MOLL assuring the availability of funds.

E. On or about April 21, 1986, in the Southern District of New York, the defendant HERMANN MOLL met with the putative buyer for Iran and discussed the proposed sale described in the foregoing paragraphs.

(Title 18, United States Code, Section 371.)

COUNT FIVE

The Vianar Anstalt Arms Deal

The Grand Jury further charges:

18. From on or about January 13, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, JOHN DELAROQUE, BERNARD VEILLOT, HANS BIHN and VIANAR ANSTALT, together with others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other:

a. to defraud the United States and its agencies, the Department of State and the Department of Defense, of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, to wit, the right of the State Department and Defense Department, delegated by the President of the United States, to regulate and control the exportation and subsequent resale and transfer of U.S. Defense Articles in accordance with the foreign policy of the United States, as provided in Title 22, United States Code, Sections 2751, 2752, 2753, 2761, 2762 and 2778, and Title 22, Code of Federal Regulations, Subchapter M (International Traffic In Arms Regulations);

b. to violate Title 22, United States Code, Section 2778(c), and Title 22, Code of Federal Regulations, Sections 121.1, 123.9, 123.10, 126.1(a) and 127, by combining, conspiring, confederating and agreeing together and with each other to make an untrue statement of a material fact and omit to state a material fact required to be stated in applications to the

United States Department of State or Department of Defense for approval to resell, divert, transfer, transship and dispose of certain U.S. Defense Articles; and

c. to violate Title 18, United States Code, Section 1001, by combining, conspiring, confederating and agreeing together and with each other to falsify, conceal and cover up by trick, scheme and device, a material fact, and to make and cause to be made false, fictitious and fraudulent statements and representations, and use and cause to be used false writings and documents knowing the same to contain false, fictitious and fraudulent statements, in a matter within the jurisdiction of the United States Department of State and the United States Department of Defense, departments and agencies of the United States.

Object of the Conspiracy

19. An object of the conspiracy was to resell, divert, transfer, transship and dispose of the following U.S. Defense Articles, among others, from a foreign country or countries to and in Iran, contrary to the policy of the United States to prevent the transfer of U.S. Defense Articles to Iran and to deny licenses and other approvals relating to U.S. Defense Articles destined for Iran:

50	F104G Fighter Aircraft
400-1000	AIM9 "Sparrow" Guided Missiles

Methods and Means of the Conspiracy

20. Among the methods and means to be employed by the defendants and their co-conspirators in accomplishing the conspiracy were the following:

A. It was part of the conspiracy that the defendant SAMUEL EVANS would act as an intermediary between the buyer and seller of Defense Articles destined for Iran.

B. It was further part of the conspiracy that the defendants JOHN DELAROQUE and BERNARD VEILLOT would obtain U.S. Defense Articles, and through the defendant VIANAR ANSTALT, would sell them to Galaxy Trade, Inc. for Iran.

C. It was further part of the conspiracy that the defendant BERNARD VEILLOT and HANS BIHN would obtain end user certificates that would falsely and fraudulently attest that the U.S. Defense Articles were destined for a country acceptable to the United States.

D. It was further part of the conspiracy that the defendants SAMUEL EVANS, JOHN DELAROQUE, BERNARD VEILLOT and HANS BIHN, together with others unknown to the Grand Jury, would represent and cause to be represented to the United States Department of State or Defense in applications to resell, divert, transfer, transship and dispose of the U.S. Defense Articles that they were destined for a country or countries that were acceptable to the United States.

OVERT ACTS

21. In furtherance of this conspiracy and to effect its objects, the following overt acts, among others, were committed:

A. On or about February 4, 1986, and again on February 5 and 6, 1986, the defendant HANS BIHN sent three telexes, respectively, to the defendant SAMUEL EVANS regarding end user certificates and the need for funds to purchase them.

B. On or about February 7, 1986, the defendant SAMUEL EVANS sent the telexes described in the foregoing paragraph to the putative buyer of the U.S. Defense Articles in New York, New York.

(Title 18, United States Code, Section 371.)

COUNTS SIX THROUGH FORTY-NINE

The Grand Jury further charges:

The B.I.T. Company Scheme ("BIT")

22. From on or about October 15, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, WILLIAM NORTHROP, NICO MINARDOS, ISAAC HEBRONI, and B.I.T. COMPANY, IMPORT, EXPORT, AND METALS LIMITED (hereafter "B.I.T. COMPANY"), together with others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations.

23. From on or about October 15, 1985, up to and including February 10, 1986, it was in part the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, WILLIAM NORTHROP, NICO MINARDOS, ISAAC HEBRONI, and B.I.T. COMPANY, together with others known and unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses, representations and promises, the following U.S. Defense Articles, among others, contrary to the policy and laws of the United States:

10,000	TOW Missiles
	F-5 "Tiger" Aircraft
4	Engines for Bell Helicopter

24. From on or about October 15, 1985, up to and including April 21, 1986, it was in part the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, NICO MINARDOS, ISAAC HEBRONI, and B.I.T. COMPANY, together with others known and unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses, representations and promises, the following U.S. Defense Articles, among others, contrary to the policy and laws of the United States:

18	F-4 "Phantom" Aircraft
3750	TOW Missiles
70	Cameras, KB-18
22	SUU-44 Flare Dispensers
90	SUU-21/A Bomb Dispensers
600	"Chapparel" Missiles
200	"Maverick" Electric-Optic Guided Bombs
200	AIM 9-O/G A/A Guided Missiles (Sidewinder)
8	Pieces Anti-Skid Test Equipment
30	"Sparrow" AIM 7F Guided Missile
24	Skyhawk A4H Aircraft
8	Skyhawk A4E x 30 MM Aircraft
7	Skyhawk A4E x 20 MM Aircraft
7	Skyhawk A4E Spare Parts
4	Radar Sets AM/TPS 44
2	Hawk Missile Batteries
5	Hercules C130E Model 382-4B Aircraft

25. It was part of this scheme and artifice to defraud that the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, WILLIAM NORTHROP, NICO MINARDOS, ISAAC HEBRONI, and B.I.T. COMPANY, together with others known and unknown to the Grand Jury, would make and cause to be made to the United States Department of State or Defense material false statements regarding the ultimate destination of the foregoing defense articles.

The Dergo Establishment Scheme ("DERGO")

26. From on or about February 10, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, NICO MINARDOS and DERGO ESTABLISHMENT, together with others unknown to the Grand Jury, unlawfully, wilfully and knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations.

27. It was the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, NICO MINARDOS and DERGO ESTABLISHMENT, together with others unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses and representations the following U.S. Defense Articles, among others, contrary to the laws and policy of the United States:

13	RF-5 "Tiger" Tactical Reconnaissance Fighter Aircraft
2	Turboshaft T56A7B Engine for C-130-E "Hercules" Aircraft
100,000	M-437A1 Shells for 175 MM Artillery
1	T53L703 Free Turbine Turboshaft Engine for AH-1J "Cobra" Helicopter
517	Spare Parts for F-4 "Phantom" Aircraft
2	Afterburner Units for J79-GE-15 Jet Engine for F-4D "Phantom" Aircraft
5000	I-TOW Missiles, BGM-71A, Improved
500	Components for Airborn Radar Warning System for Fighter Aircraft
4200	Spare Parts, AN/PRC-77 Tactical Radios
6	Store (Armament Load) Ejectors for AH-1J "Cobra" Helicopter
8000	AN/PRC-6 Portable Tactical Radios
4000	Power Tubes for VRC-12 Radio
1	Test System for F-4 "Phantom" Aircraft Inertial Navigation System
72	Pieces Test Equipment for F-4 "Phantom" Aircraft
50	Rotary Assemblies for 20 MM M-61 Gatling Gun
44	Solid State Amplifiers for TPS-43 Radar
900	Spare Parts for APQ-120 Radar on F-4 "Phantom" Aircraft
350	105 MM M-68 Guns on Westernized T-55 Main Battle Tanks

28. It was part of this scheme and artifice to defraud that the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, NICO MINARDOS and DERGO ESTABLISHMENT, together with others unknown to the Grand Jury, would make and cause to be made to the United States Department of State or Defense false statements regarding the ultimate destination of the above described U.S. Defense Articles.

The Flear Holdings Scheme ("FLEAR")

29. From on or about February 24, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, ALFRED FLEARMOY, RALPH KOPKA, HANS BIHN and FLEAR HOLDINGS INCORPORATED S.A.

(hereafter "FLEAR HOLDINGS"), together with others unknown to the Grand Jury, unlawfully, wilfully and knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations.

30. It was the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, ALFRED FLEARMOY, RALPH KOPKA, HANS BIHN and FLEAR HOLDINGS, together with others unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses and representations the following U.S. Defense Articles, among others, contrary to the laws and policy of the United States:

100-150	M60 Engines and Gearboxes
100	M48 Main Battle Tanks

31. It was part of this scheme and artifice to defraud that the defendants SAMUEL EVANS, ALFRED FLEARMOY, RALPH KOPKA, HANS BIHN and FLEAR HOLDINGS, together with others unknown to the Grand Jury, would make and cause to be made to the United States Department of State or Defense false statements regarding the ultimate destination of the above described U.S. Defense Articles.

The International Procurement Scheme ("IP&S")

32. From on or about December 23, 1985, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, HERMANN MOLL and INTERNATIONAL PROCUREMENT AND SALES, INC. (hereafter "INTERNATIONAL PROCUREMENT"), together with others unknown to the Grand Jury, unlawfully, wilfully and knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations.

33. It was the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, HERMANN MOLL and INTERNATIONAL PROCUREMENT, together with others unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses and representations the following U.S. Defense Articles, among others, contrary to the laws and policy of the United States:

15	F-4 Aircraft
10	Engines for F-4 Aircraft
	Spare Parts for F-4 Aircraft
200	Engines for M-48 Tanks

34. It was part of this scheme and artifice to defraud that the defendants, SAMUEL EVANS, HERMANN MOLL and INTERNATIONAL PROCUREMENT, together with others unknown to the Grand Jury, would make and cause to be made to the United States Department

of State or Defense material false statements regarding the ultimate destination of the above described U.S. Defense Articles.

The Vianar Anstalt Scheme ("VIANAR")

35. From on or about January 13, 1986, up to and including April 21, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, JOHN DELAROQUE, BERNARD VEILLOT, HANS BIHN and VIANAR ANSTALT, together with others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations.

36. It was the object of this scheme and artifice to defraud that the defendants SAMUEL EVANS, JOHN DELAROQUE, BERNARD VEILLOT, HANS BIHN and VIANAR ANSTALT, together with others known and unknown to the Grand Jury, would defraud the United States Government and its Executive Agencies of their right to conduct their affairs free from fraud, false statements, chicanery and deceit, and would obtain for Iran by means of false and fraudulent pretenses and representations the following U.S. Defense Articles, among others, designated on the United States Munitions List contrary to the laws and policy of the United States:

50	F104G Fighter Aircraft
400-1000	AIM9 "Sparrow" Guided Missiles

37. It was part of this scheme and artifice to defraud that the defendants SAMUEL EVANS, JOHN DELAROQUE, BERNARD VEILLOT, HANS BIHN and VIANAR ANSTALT, together with others known and unknown to the Grand Jury, would make and cause to be made to the United States Department of State or Defense false statements

regarding the ultimate destination of the above described defense articles.

Statutory Allegations

38. On or about the dates and at the approximate times set forth below, in the Southern District of New York ("SDNY"), and elsewhere, or in the Eastern District of New York ("EDNY") and elsewhere, the defendants SAMUEL EVANS, GURIEL EISENBERG, RAFAEL ISRAEL EISENBERG, WILLIAM NORTHROP, ABRAHAM BAR'AM, NICO MINARDOS, ALFRED FLEARMOY, HERMANN MOLL, HANS BIHN and RALPH KOPKA, unlawfully, wilfully and knowingly, and for the purpose of executing and attempting to execute the schemes and artifices described in paragraphs 22 through 37 above as specified below, caused to be transmitted by wire and radio in interstate and foreign commerce, certain signs, signals and sounds, to wit, telephone calls initiated in the Southern or Eastern District of New York as follows:

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
6	12/20/85	11:30 am	SDNY	EVANS	IP&S
				MOLL	IP&S
7	1/10/86	3:50 pm	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	BIT
				MINARDOS	BIT
8	1/15/86	10:00 am	SDNY	EVANS	BIT
					IP&S
					VIANAR
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	BIT
				MINARDOS	BIT
				MOLL	IP&S
				BIHN	VIANAR

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
9	1/17/86	5:33 pm	SDNY	EVANS	BIT IP&S
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	BIT
				MINARDOS	BIT
				MOLL	IP&S
10	1/21/86	3:47 pm	SDNY	EVANS	BIT IP&S
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	BIT
				MINARDOS	BIT
				MOLL	IP&S
11	1/30/86	1:03 pm	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
12	1/30/86	3:20 pm	SDNY	EVANS	IP&S
				MOLL	IP&S
13	1/30/86	5:05 pm	SDNY	EVANS	BIT IP&S VIANAR
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
				MOLL	IP&S
				BIHN	VIANAR
14	1/31/86	6:45 pm	SDNY	EVANS	IP&S
				MOLL	IP&S
15	2/5/86	10:25 am	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
16	2/5/86	11:53 am	SDNY	EVANS	VIANAR
				BIHN	VIANAR

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
17	2/6/86	2:28 pm	SDNY	EVANS	IP&S
				MOLL	IP&S
18	2/10/86	1:23 pm	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
19	2/20/86	2:35 pm	SDNY	EVANS	DERGO
				NORTHROP	DERGO
				MINARDOS	DERGO
20	2/23/86	2:58 pm	EDNY	EVANS	DERGO
				NORTHROP	DERGO
				MINARDOS	DERGO
21	2/24/86	1:40 pm	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				BIHN	FLEAR
				KOPKA	FLEAR
22	2/26/86	12:01 pm	SDNY	EVANS	DERGO
				NORTHROP	DERGO
23	2/27/86	11:57 am	SDNY	EVANS	DERGO
				NORTHROP	DERGO
24	2/27/86	noon	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
25	2/27/86	12:12 pm	SDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
26	2/27/86	12:30 pm	SDNY	EVANS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
				MINARDOS	BIT
					DERGO
27	3/11/86	2:00 pm	EDNY	EVANS	BIT
					DERGO
				MINARDOS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
28	3/12/86	1:30 pm	SDNY	EVANS	BIT
				MINARDOS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
29	3/14/86	11:33 am	SDNY	EVANS	BIT
					DERGO
				MINARDOS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
30	3/18/86	2:02 pm	SDNY	EVANS	DERGO
				NORTHROP	DERGO
				MINARDOS	DERGO
31	3/19/86	12:34 pm	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
32	3/19/86	12:50 pm	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
33	3/20/86	4:33 pm	EDNY	EVANS	BIT
					DERGO
				MINARDOS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
34	3/23/86	9:42 am	EDNY	EVANS	DERGO
				MINARDOS	DERGO
				NORTHROP	DERGO
				BAR'AM	DERGO
35	3/25/86	10:05 am	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
36	3/25/86	4:44 pm	SDNY	EVANS	BIT
					DERGO
					FLEAR
				MINARDOS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
37	3/26/86	7:25 am	EDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
38	4/1/86	12:07 pm	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
39	4/1/86	12:17 pm	SDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
40	4/3/86	4:49 am	EDNY	EVANS	BIT
					DERGO
				MINARDOS	BIT
					DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
				BAR'AM	DERGO
41	4/6/86	10:15 am	EDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				KOPKA	FLEAR
				BIHN	FLEAR
42	4/9/86	6:30 am	EDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT

COUNT	DATE	TIME	DISTRICT	CHARGED	SCHEME
43	4/10/86	11:40 am	SNDY	EVANS	BIT
				EVANS	DERGO
				MINARDOS	BIT
				MINARDOS	DERGO
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				NORTHROP	DERGO
				BAR'AM	DERGO
44	4/10/86	4:24 pm	SDNY	EVANS	DERGO
				NORTHROP	DERGO
				BAR'AM	DERGO
				MINARDOS	DERGO
45	4/12/86	10:21 am	EDNY	EVANS	FLEAR
				FLEARMOY	FLEAR
				BIHN	FLEAR
				KOPKA	FLEAR
46	4/15/86	4:25 pm	SDNY	EVANS	BIT
				MINARDOS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
47	4/16/86	7:41 am	EDNY	EVANS	BIT
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
48	4/17/86	5:19 pm	SDNY	EVANS	IP&S
				MOLL	IP&S
49	4/18/86	1:04 pm	SDNY	EVANS	BIT
					IP&S
				R. EISENBERG	BIT
				G. EISENBERG	BIT
				MINARDOS	BIT
				MOLL	IP&S

(Title 18, United States Code, Sections 1343 and 2).

COUNT FIFTY

The Grand Jury further charges:

39. The allegations contained in paragraphs 22 through 25 of this Indictment are repeated and realleged as though fully set forth herein.

40. On or about February 24, 1986, in the Southern District of New York and elsewhere, the defendant SAMUEL EVANS unlawfully, wilfully and knowingly, and for the purpose of executing and attempting to execute the scheme and artifice described in paragraphs 22 through 25 of this Indictment, caused to be delivered by mail according to the direction thereon from London, England to New York, New York, certain mail matter to be sent and delivered by the United States Postal Service, to wit, a mailing containing "Performa [sic] Invoice Number - 2199/86 - PROMIL," listing the supply time, price and quantity of military equipment described by reference to its B.I.T. catalogue number.

(Title 18, United States Code, Section 1341.)

COUNT FIFTY-ONE

The Grand Jury further charges:

41. The allegations contained in paragraphs 26 through 28 of this Indictment are repeated and realleged as though fully set forth herein.

42. On or about March 18, 1986, in the Southern District of New York and elsewhere, the defendant SAMUEL EVANS unlawfully, wilfully and knowingly, and for the purpose of executing and attempting to execute the sceme and artifice described in paragraphs 26 through 28 of this Indictment, caused to be delivered by mail according to the direction thereon from London, England to New York, New York, certain mail matter to be sent and delivered by the United States Postal Service, to wit, a mailing containing a list of military equipment and a discussion of end user certificates on the letterhead of Dergo Establishment.

(Title 18, United States Code, Section 1341.)

COUNT FIFTY-TWO

The Grand Jury further charges:

43. On or about April 3, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and NICO MINARDOS, unlawfully, knowingly and willfully in a license application, to wit, an Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, Form DSP-5, filed by Liberty Electronics, Inc., 548 Broadway, New York, New York 10012, to export the following items used for radar AN/APQ120 System on F4 Aircraft:

50	Potentiometer	P/N 900217/238
50	Potentiometer	P/N 900217/237
50	Potentiometer	P/N 900217/123
50	Potentiometer	P/N 900217/239
50	Symchro	P/N 900141/70
50	Symchro	P/N 900130/35
50	Symchro	P/N 917010/1
700	Gyro	P/N GG250A12,

made and caused to be made an untrue statement of a material fact, to wit, the following false responses to the following questions:

QUESTION	RESPONSE
Country of Ultimate Destination	TEL AVIV, ISRAEL
Name and Address of Foreign end-user	GOVT OF ISRAEL/MOD ISRAELI AIRFORC[E] HEADQUARTERS HAKIRYA TEL AVIV, ISRAEL.

(Title 22, United States Code, Section 2778(c), Title 18, United States Code, Section 2.)

COUNT FIFTY-THREE

The Grand Jury further charges:

44. On or about April 3, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and NICO MINARDOS, unlawfully, knowingly and willfully in a license application, to wit, an Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, Form DSP-5, filed by Liberty Electronics, Inc., 548 Broadway, New York, New York 10012, to export the following items used on ground support for C-130 Aircraft:

14 Tachometer T.S. TTU27E
P/N J667-524,

made and caused to be made an untrue statement of a material fact, to wit, the following false responses to the following questions:

QUESTION	RESPONSE
Country of Ultimate Destination	TEL AVIV, ISRAEL
Name and Address of Foreign end-user	GOVT OF ISRAEL/M.O.D. ISRAELI AIRFORCE HEADQUARTERS HAKIRYA TEL AVIV, ISRAEL.

(Title 22, United States Code, Section 2778(c), Title 18, United States Code, Section 2.)

COUNT FIFTY-FOUR

The Grand Jury further charges:

45. On or about April 3, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and NICO MINARDOS, unlawfully, knowingly and willfully in a license application, to wit, an Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, Form DSP-5, filed by Liberty Electronics, Inc., 548 Broadway, New York, New York 10012, to export the following items used for ground support for F4 Aircraft:

50 Pilot Tester TTU205BE,

made and caused to be made an untrue statement of a material fact, to wit, the following false responses to the following false questions:

QUESTION	RESPONSE
Country of Ultimate Destination	TEL AVIV, ISRAEL
Name and Address of Foreign end-user	GOVT OF ISRAEL/M.O.D. ISRAELI AIRFORCE HEADQUARTERS HAKIRYA TEL AVIV, ISRAEL.

(Title 22, United States Code, Section 2778(c), Title 18, United States Code, Section 2.)

COUNT FIFTY-FIVE

The Grand Jury further charges:

46. On or about April 8, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and NICO MINARDOS, unlawfully, knowingly and willfully in a license application, to wit, an Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, Form DSP-5, filed by Liberty Electronics, Inc., 548 Broadway, New York, New York 10012, to export the following items used for ground support navigation system for F4 Aircraft:

1 Test Console P/N 23563,

made and caused to be made an untrue statement of a material fact, to wit, the following false responses to the following questions:

QUESTION	RESPONSE
Country of Ultimate Destination	TEL AVIV, ISRAEL
Name and Address of Foreign end-user	GOVT OF ISRAEL/M.O.D. ISRAELI AIRFORCE HEADQUARTERS HAKIRYA TEL AVIV, ISRAEL.

(Title 22, United States Code, Section 2778(c), Title 18, United States Code, Section 2.)

COUNT FIFTY-SIX

The Grand Jury further charges:

47. On or about April 8, 1986, in the Southern District of New York and elsewhere, the defendants SAMUEL EVANS, WILLIAM NORTHROP, ABRAHAM BAR'AM, and NICO MINARDOS, unlawfully, knowingly and willfully in a license application, to wit, an Application/License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, Form DSP-5, filed by Liberty Electronics, Inc., 548 Broadway, New York, New York 10012, to export the following items used for ground support for F4 Aircraft:

20 Tester Altitude TTU229AE,

made and caused to be made an untrue statement of a material fact, to wit, the following false responses to the following questions:

QUESTION	RESPONSE
Country of Ultimate Destination	TEL AVIV, ISRAEL
Name and Address of Foreign end-user	GOVT OF ISRAEL/M.O.D. ISRAELI AIRFORCE HEADQUARTERS HAKIRYA TEL AVIV, ISRAEL.

(Title 22, United States Code, Section 2778(c), Title 18, United States Code, Section 2.)

FOREMAN

Rudolph W. Giuliani

RUDOLPH W. GIULIANI
United States Attorney

A TRUE COPY
RAYMOND F. BURGHARDT, Clerk
By
Deputy Clerk

RECEIVED NOV 17 1988

UNITED STATES CLAIMS COURT

GARY HOWARD AND RONALD TUCKER	)	
	)	
VS	)	386-87 C
	)	
UNITED STATES OF AMERICA	)	

AFFIDAVIT

OF

WILLIAM WARREN NORTHROP

COMES NOW WILLIAM WARREN NORTHROP, and being of lawful age and first duly sworn, deposes and says:

1. I make the following statement based on personal knowledge and/or information and belief and that I am competent to testify to the matter herein stated.

2. During the Summer of 1980, the Government of Israel entered into a contract with the Islamic Republic of Iran to deliver a shipment of Defense material. This material consisted of 250 tires for F-4 "Phantom" aircraft, some spare parts for TPS-43 radar (HAWK system) and assorted ammunition. The total value of the contract was slightly less than $1,000,000. The American Government was informed, initally through the American Ambassador to Israel, SAMUEL LEWIS, and later a discussion was held between President JIMMY CARTER and Prime Minister MENACHEM BEGIN. These discussions and the approval of the sale by the Americans took place prior to the delivery of the goods.

3. During December of 1980, General MENACHEM MERON, the Israel Military Attache to the Israeli Embassy in Washington asked MORRIS AMITAY to ascertain the new administration's policy on Israeli arm sales to Iran. AMITAY, an American citizen and official of the American Israel Political Action Committee (AIPAC) contacted RICHARD V. ALLEN, the President-elect's foreign policy advisor. ALLEN checked and advised AMITAY of the new administration's approval.

General MERON later became the Director General of the Israeli Ministry of Defense and was the key player during the "coffee" operations...IRAN-CONTRA.

4. On 20 February 1981, Israeli Foreign Minister YITZHAK SHAMIR and ALEXANDER HAIG, the American Secretary of State met and discussed, among other things, the shipment of American-made weapons to Iran. HAIG conveyed approval following discussions between his State Department counselor, ROBERT C. MCFARLANE, and the Director General of Israel's Foreign Ministry, DAVID KIMCHE.

5. During March of 1981, Israel agreed to supply approximately $7,000,000 worth of spare parts for American-made C-130 aircraft and communications equipment. The American Ambassador to Israel, SAMUEL LEWIS, was informed and Israel was allowed to replenish stocks from American sources. (1)

6. During July of 1981, the State of Israel agreed to supply the Islamic Republic of Iran with some $200,000,000 worth of military equipment. This consisted of several deals umbrellered into one large contract by the Arms Sales Committee of the Ministry of Defense. (5)

One part of this transaction involved 360 tons of spare parts for tanks valued at approximately $27.5 million. Several arms dealers, including ANDREAS JENNI and IAN SMALLEY fronted the transaction on the Israeli side. The Iranian front man was AHMED KHUDARI, acting on behalf of the Iranian Ministry of Defense. The contract called for the air delivery of 12 loads of material from Tel Aviv to Teheran via Larnaca, Cyprus. The material in this contract consisted of spare parts for M-60 MBTs and M-113 APCs some of which was manufactured at LORAN in Netanya, Israel, while the remainder was American-made.

A small French firm fronted the delivery, chartering a TAR (Argentina) CL-44 turboprop aircraft for the flights. On 18 July 1981, the CL-44 aircraft, designated YR-824, returning from its third trip to Iran, wandered off course over Turkey and into Soviet airspace. It was shot down by Soviet interceptors.

The remainder of the materials were delivered on schedule, including wheel and brake assemblies for F-4 "Phantom" aircraft, communications equipment and spare parts, 106mm Recoilless Rifles, Mortars, small arms, ammunition, and spare parts for TPR-43 radars.

The United States Ambassador to Israel, SAMUEL LEWIS, was provided a complete list of the items being sold. In addition, the CIA maintained electronic surveillance on the Iranian purchasing office in London, where the deals were concluded. Israel was allowed to replenish certain stocks from American sources.

App. 0976

7. During May of 1982, Israeli Defense Minister, ARIEL SHARON informed American Secretary of State ALEXANDER HAIG and Defense Secretary CASPER WEINBERGER that Israel intended to sell approximately $50,000,000 worth of Israeli-made materials to the Islamic Republic of Iran. The order consisted of three items: 160mm Mortars manufactured by SOLTAM, 105mm Recoilless Rifles manufactured by ISRAEL MILITARY INDUSTRIES and assorted ammunition manufactured by both. (3)

8. During July of 1982, the Government of Israel shipped 2000 American-made MK-669 fuses (Manufactured in Lone Star Arsenal in Texarkana, Texas) along with 90,000 hand grenades to warehouses in Portugal. This cargo was then loaded aboard a Danish ship of the MOENSTED lines, captained by one THOMAS STRHEECH, a British National.

The seller of this cargo was WESTERN DYNAMICS, an American firm owned by one HOUSHANG LAVI, an Iranian born American citizen.

STRHEECH delivered his cargo to the Iranian port of Bandar El-Abass where it was rejected by the local authorities for reasons unknown to your deponent.

After contacting both MOENSTED and WESTERN DYNAMICS, STRHEECH then sold the cargo to Iraq.

The government of the United States was informed of this transfer prior to it leaving Israel and approved. (4)

9. During September of 1982, the Government of Israel in conjuntion with the Government of the United States entered into an agreement to support disident elements within Iran in an attempted coup. The Government of Israel agreed to supply $500 million worth of captured Soviet arms, which was to be supplied through Sudan. For reasons unknown to your deponent, this coup was aborted. (5)

10. During November of 1982, the Government of Israel entered into an agreement with the Islamic Republic of Iran to supply 1000 TOW missiles. The originiral agreement was arranged between JEAN-PIERRE DELANESE, acting on behalf of the Iranian Ministry of Defense and an Israeli arms dealer acting on behalf of the Israeli Ministry of Defense. Permission was sought and received from the American government and Israel was allowed to replenish their stocks with I-TOW missiles. The shipment was made to Iran via Amsterdam on a chartered aircraft. (6)

App. 0977

11. In each and every instance of war materials being sent by Israel to the Islamic Republic of Iran, whether such materials were of American origin or not, the government of the United States was informed in advance and approved prior to shipment.

12. Further your affiant sayeth not.

WILLIAM WARREN NORTHROP

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public within and for the State of Oklahoma, on this 14th day of November, 1988, personally appeared William Warren Northrop, to me known to be the identical person who executed the above and foregoing Affidavit, and personally acknowledged to me that he has read, understood and signed the same and that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WEREOF, I have hereunto affixed my signature and official seal thd day and date heretofore stated.

M. Diane Carlton
Notary Public

My commission expires:
4-12-92

App. 0978

WILLIAM NORTHROP, Defendant's witness, was duly sworn.

THE CLERK: Would you be seated, please.

Sir, would you state your full name, spell your last name for the record.

THE WITNESS: My name is William Warren Northrop, N-o-r-t-h-r-o-p.

THE CLERK: Thank you.

DIRECT EXAMINATION

BY MR. SCOTT:

Q Mr. Northrop, are you acquainted with the defendant Richard Brenneke?

A Yes, I am.

Q How long have you known Mr. Brenneke?

A Oh, 20 years. Thereabouts.

Q Mr. Northrop, are you a United States citizen?

A Yes, sir, I am.

Q Do you hold citizenship in any other country?

A Yes, I do.

Q And could you tell the jurors which countries?

A I am a dual national. I hold citizenship in the State of Isreal.

Q - Mr. Northrop, would you be able to tell the jurors how you know Mr. Brenneke and where you first came into contact with him.

A I first came across Mr. Brenneke on a little weekend jaunt in 1967, I believe late 1967, at the Royal Thai Air Base at U Taphao, Thailand.

Q And was that air base occupied by any entity known to you as a proprietary of the CIA?

A Yes. The Air America people used U Taphao to stage operations.

Q Have you met Mr. Brenneke in any other localities?

A Yes. In the late summer of 1980, I ran across Mr. Brenneke in Lahore, Pakistan.

Q What was Mr. Brenneke doing when you met him in Lahore, Pakistan?

A Mr. Brenneke was transporting cargo into the Lahore Airport in Pakistan.

Q Did you have any way of determining what type of cargo that might have been, whether it was fruit or vegetables or --

A Well, I'm not sure what the cargo was, in all honesty. However, the cargo was destined for the militarized zone on the border between Afghanistan and Pakistan. The cargo was destined for the Mujahideen

NOTES

5/20/87 (approx) Richard Ryan called.

1. Will NORTHRUP 405-235-4074 Law Office where he is working as investigator in Oklahoma City. Wants to speak to me.

2. Ile Lonegren trial tentatively scheduled for 10/17/87

3. Has connection Prandus and Daniels.
Daniels was involved in resettlement work in Vietnam in early 1970's.
Jamestown foundation staffed by CIA agents who debrief and relocate Communist refugees.
Donald Jameson, formerly CIA, does work for Jamestown.

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

App. 0982—App. 0989

62-366 0 - 93 - 30

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

App. 01000– App. 1001

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

App. 1003–App. 1005

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

Declassified 12/14/92

~~SECRET~~

92-136

FEDERAL BUREAU OF INVESTIGATION

2/27/84

Date of transcription

JOHN SHAHEEN, President of John Shaheen Natural Resources Company Incorporated and New Foundland Refinery Corporation with offices at 90 Park Avenue telephone number 867-0250 was interviewed at his office concerning his relationship with CYRUS HASHEMI.

Specifically, SHAHEEN was questioned regarding his contacts with Director WILLIAM CASEY of the Central Intelligence Agency (CIA) or other representatives of the CIA regarding CYRUS HASHEMI. SHAHEEN began by providing a background on himself. He stated he was a former Captain in the United States Navy with extensive service in World War II (WWII) especially, in the Office of Strategic Services (OSS) where he met WILLIAM CASEY. SHAHEEN also served in the Office of the Secretary of the Navy where he was involved in highly secretive counterintelligence and counterespionage activities. He stated that he has maintained a relationship with WILLIAM CASEY since WWII days and considers him a close personal friend. He advised that he is also acquainted with others in government including former Presidents, President REAGAN, Secretary of State GEORGE SCHULTZ, Attorney General WILLIAM FRENCH SMITH, and current White House Counsellor EDWIN MEESE. He advised that he is also acquainted with several officials of the CIA including the Chief of the Near East Branch. For reasons of security, this man will not be identified in this document.

SHAHEEN stated that he was introduced to CYRUS HASHEMI in late 1979 or early 1980 by a former Iranian Ambassador to the United States whose name he could not recall during the period of the interview. The introduction to HASHEMI took place at HASHEMI's offices at 9 West 57th Street which SHAHEEN identified as the Gulf Bank. As SHAHEEN recalls it, the introduction was arranged after the unnamed Iranian Ambassador to the United States had advised SHAHEEN that HASHEMI had extensive contacts in Iran (as SHAHEEN recalls it HASHEMI had a relative who was in the Iranian parliament), and after HASHEMI had been identified as having extensive contacts in the oil communities in Iran, Tunisia (because of HASHEMI's marriage into an aristocratic Tunisian family) and Nigeria where HASHEMI apparently had extensive business

199-807-1 508

Investigation on 2/21/84	at NY, NY	File # 199-807
by SAS EARNEST C. CASH/LOUIS F. STEPHENS/ LFS/can		Date dictated 2/24/84

NY-199-807-508

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FBI/DOJ

~~SECRET~~

App. 1011

and commercial contacts. SHAHEEN stated that he is in the oil business and as such requires contracts to purchase oil for refinement at various refineries operated by or contracted for his company. His purpose in meeting HASHEMI was to cultivate him as a source of contacts for oil contract purchases in Iran, Nigeria and Tunisia. He explained that since the Presidential embargo as a result of the Iranian hostage crises, SHAHEEN's company has purchased no oil from Iran although he expects that in the near future United States law will allow such purchases. SHAHEEN advised that although he could not make purchases of Iranian crude oil he could definetly purchase Nigerian or Tunisian oil and to this end HASHEMI would have been a good contact. He stated that his inquiry regarding HASHEMI determined that he had extensive contacts in Nigeria and Tunisia and he solicited HASHEMI's assistance in acquiring such contacts. He advised that HASHEMI has been unable to establish sufficient contacts for SHAHEEN which have actually resulted in a contract for the purchase of crude oil however he has made extensive efforts as far as SHAHEEN is concerned in this regard. To this end he has had several lunch, dinner and office appointments with HASHEMI.

SHAHEEN continued that although he was with the Offices of Strategic Services (OSS) in WWII that he is currently a businessman and is not at present associated with any intelligence activities of the United States government. He advised that he continues to maintain his long established contacts in the United States government, has throughout the years supported candidates for both elected and appointed office and has on more than one occasion passed information to United States officials which he learned in his capacity as an international businessman. SHAHEEN stated that he mentioned HASHEMI to persons in the CIA because during the course of SHAHEEN's contact with HASHEMI he determined that HASHEMI might be able to play some role in either alleviating the hostage crises in Iran or in establishing a dialogue with the KHOEMINI government and the United States. He stated that he made these contacts including a contact with Director WILLIAM CASEY of the CIA on a strictly voluntary basis, acting on his own at all times without prompting from HASHEMI or any one connected to HASHEMI. He emphasized that as a businessman and a political realist he was aware that sooner or later, despite the Iranian hostage crises, the United States would have to engage in some type of relationship with Iran and believed that HASHEMI might play some type of role in establishing that relationship, however minor. He stated he was not aware of United States policy regarding

Iran except through what he read in the papers or obtained from conversation through his established contacts. He knew that the United States policy with regards to Iran during the period of the hostage crises was in a state of crises, a situation which continued for sometime after the hostages were released upon President REAGAN's inauguration.

SHAHEEN recalled vaguely that in October of 1983 after he had a conversation with WILLIAM CASEY at a date, place and time unrecalled, a conversation wherein SHAHEEN explained to CASEY his knowledge of HASHEMI and how he thought HASHEMI might have some value to the United States with regards to Iran, SHAHEEN met with one of CASEY's representatives who was the Chief of a Near East Branch of the CIA. SHAHEEN recalled that at the luncheon meeting he explained his knowledge of HASHEMI and how he thought HASHEMI might have some impact on the current Iranian situation.

SHAHEEN stated that he did not know at the time that CYRUS HASHEMI was under investigation for violations of the Federal Law and that his meeting with Chief Near East Branch was friendly and cordial and that the information he provided was taken in the spirit in which it was offered. He stated that this meeting was not the only time that he discussed HASHEMI with representatives of the CIA and recalled that as late as six months ago he raised the subject of HASHEMI to the CIA and other represetnatives of the government at which time he was informed that "HASHEMI was off limits" and the government desired no dealings with him. SHAHEEN stated that at that time he was informed that HASHEMI was under investigation by the Federal government and that contacts by the CIA or other United States government representatives with HASHEMI would be counterproductive. SHAHEEN emphasized that WILLIAM CASEY never asked SHAHEEN to contact CYRUS HASHEMI or obtain any informatoin about HASHEMI for or on behalf of CASEY or the United States government. He stated that HASHEMI was never actually aware of any contacts in government made by SHAHEEN and he restated that all information he passed regarding HASHEMI to the United States government was done on his own initiative and that he has never been tasked or asked by any governmental agency to provide information regarding HASHEMI.

SHAHEEN continued that approximately two weeks ago he was telephoned by CYRUS HASHEMI at SHAHEEN's office who explained at the time that he was in trouble with the United States government over some relatively minor matters and asked SHAHEEN if he would consent to see former Attorney

General ELLIOT RICHARDSON whom HASHEMI had retained in connection with his problems with the government. SHAHEEN agreed and stated that approximately two hours after his telephone conversation with HASHEMI ELLIOT RICHARDSON called for an appointment. SHAHEEN checked his records of the RICHARDSON appointment kept by his secretary which were viewed by the interviewing agents and which showed that ELLIOT RICHARDSON was in SHAHEEN's office at 90 Park Avenue on Wednesday February 8, 1984 from 2:45 PM until 3:30 PM. SHAHEEN stated that at this meeting RICHARDSON explained to him that HASHEMI was under investigation by the United States government over minor violations of the United States Customs laws and that the government was considering an indictment of HASHEMI. RICHARDSON advised SHAHEEN that he thought the investigation and probable indictment of HASHEMI was iladvised because of three reasons. SHAHEEN stated that RICHARDSON told him that the government should not proceed with an indictment of HASHEMI for these same three reasons. SHAHEEN explained that RICHARDSON indicated that RICHARDSON believed that HASHEMI was owed a debt of gratitude for the activities of HASHEMI in connection with the Iranian hostage situation. SHAHEEN explained that he was not familiar with these activities and was not aware that HASHEMI was involved in any negotiation regarding the hostages. SHAHEEN stated that secondly, RICHARDSON advised against an indictment of HASHEMI because should HASHEMI be required to identify himself certain information which would be very sensitive and damaging to the United States government would necessarily be exposed by HASHEMI in his defense against the charges.

SHAHEEN further stated that RICHARDSON's third reason for contacting SHAHEEN regarding this matter was because of SHAHEEN's relationship (as interpreted by RICHARDSON) with HASHEMI indicating that if HASHEMI were indicted he could no longer be of any service to SHAHEEN. RICHARDSON then asked SHAHEEN if SHAHEEN would contact "BILL" CASEY (Director, CIA) on HASHEMI's behalf. SHAHEEN stated that he replied that he could see several people on HASHEMI's behalf including EDWIN MEESE, GEORGE SCHULTZ, and others but that his long experience with the United states government caused him to advise RICHARDSON that if HASHEMI had violated the law he ought to be prepared to pay the consequences and only if HASHEMI had something of extreme value to the United States government of an intelligence nature; (such as information relating to the proposed closure of the Straits of Hormuz, or some other crucial Middle East-Iranian matter), would policy makers in the United States government attempt

SECRET

to intervene with federal prosecutors. SHAHEEN advised RICHARDSON that unless such information was extremely important he doubted if United States policy makers or his contacts in government would attempt to interfere with any federal investigation. He emphasized again that if HASHEMI had "four aces in his deck" that now was the time to play them with the United States government if in fact he was in serious trouble for violating United States laws.

SHAHEEN stated that his meeting with RICHARDSON was cordial but that he did not contact CASEY or any other CIA representative regarding HASHEMI on the basis of this specific meeting with RICHARDSON, taking the cue in prior meetings he had had with the CIA as referred to above which indicated that HASHEMI was "off limits".

SHAHEEN stated that HASHEMI telephoned him at his office on February 9th at 11:40 AM and asked SHAHEEN if RICHARDSON had met with HASHEMI. SHAHEEN confirmed his meeting with RICHARDSON and again emphasized to HASHEMI that it was apparent that HASHEMI was in serious trouble with the Federal government and that if he had something valuable of intelligence interest to pass to the United States government that perhaps now was the time to do so. HASHEMI agreed and stated that he in fact did have something of value. SHAHEEN ended the interview by stating that in fact HASHEMI telephoned him today, February 21, 1984, to discuss matters relating to a business deal and again HASHEMI indicated that he was in serious trouble with the United States government asd asked SHAHEEN to arrange a meeting with someone whom he could discuss this information with. SHAHEEN did not agree to do so but instead referred HASHEMI to various United States government directories all of which contained the address and phone number of various United States intelligence communities such as the Federal Bureau of Investigation (FBI), CIA, the Defense Intelligence Agency and others, which could take his information and evaluate it appropriately.

SECRET

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

DOCUMENT LOCATED IN CLASSIFIED APPENDIX

PRESS REPORTS, BROADCASTS, BOOKS, AND CONGRESSIONAL MATERIALS RELATED TO THE OCTOBER SURPRISE

Periodicals and Broadcasts

Arms for Hostages, MacNeil-Lehrer NewsHour, Nov. 7, 1986.

The Arms Game, CBS News 60 Minutes, Nov. 30, 1986.

T. Atlas, Reagan: I Tried to Aid Hostages, Chicago Tribune, Jun. 16, 1991, at 14.

R.C. Bachus, Reagan-Bush '80 Arms Deal with Iran Charged, Christian Science Monitor, Oct. 21, 1988.

L. Barber and A. Friedman, Reagan Reopens Hostage Issue, Financial Times, Jun. 17, 1991, at 2.

J. Barry, A Case of Confused Identity?, Newsweek, Nov. 18, 1991, at 34.

J. Barry, Making of A Myth, Newsweek, Nov. 11, 1991, at 18.

J. Barry, One Man, Many Tales, Newsweek, Nov. 4, 1991, at 36.

R.L. Berke, Inquiry Is Ordered on 1980 Campaign, New York Times, Aug. 6, 1991, Sect. 1 at 1.

P. Berman, Was Casey Here? And Here? And Here...?, The Traveller, Feb. 1992, at 92.

J. Bleifuss, A Surprise This October?, In These Times, Jul. 24, 1991, at 4.

J. Bleifuss, Attacks, Heart and Otherwise, In These Times, May 15, 1991, at 4.

J. Bleifuss, Deal of the Decade, In These Times, Oct. 12, 1988, at 10.

J. Bleifuss, Deals Upon Deals?, In These Times, Jul. 10, 1991, at 4.

J. Bleifuss, Dirty Dealers and Election Stealers, In These Times, Apr. 17, 1991, at 8.

J. Bleifuss, Jury Says Brenneke Wasn't Lying, In These Times, May 16, 1990, at 4.

J. Bleifuss, On the Hill or Under a Bushel?, In These Times, Jun. 26, 1991, at 4.

J. Bleifuss, Post Takes Aim at 1980 Story, But Misses Mark, In These Times, Oct. 29, 1988, at 4.

J. Bleifuss, Probes and Possibilities, In These Times, May 1, 1991, at 4.

J. Bleifuss, Richard Brenneke's Day in Court, In These Times, May 9, 1990, at 4.

J. Bleifuss, Twelve Years Later, It's Real!, In These Times, Apr. 24, 1991, at 4.

B.L. Bozell III, Telltale Dupe at PBS, Washington Times, Apr. 29, 1992, at G-4.

B. Bradlee, Jr. and R. Higgins, Did Reagan, Bush Cut a 1980 Hostage Deal?, Boston Globe, Oct. 23, 1988, at A-25.

Bush Denies Iran Deal to Ex-Hostage, Chicago Tribune, May 20, 1991, at A-4.

Bush Hopes 'October Surprise' Probe Fair, Not Political, Reuters, Aug. 6, 1991.

L. Cannon, Gary Sick's Lingering Charges, Washington Post, May 13, 1991, at A-11.

L.W. Casey, William J. Casey: Scapegoat, Washington Post, Dec. 9, 1991, at A-20.

R.J. Cattani, On Hostages and Captivity, Christian Science Monitor, Aug. 21, 1991, at 18.

CBS News Face The Nation, Jul. 7, 1991.

CBS News Face The Nation, Dec. 8, 1991.

J. Chadwick, When Casey Could Have Met Iranians in '80, New York Times, Dec. 5, 1991, Sect. 1 at 32.

A. Chardy, Carter Mulled Arms-Hostages Swap, Miami Herald, Apr. 3, 1988, at A-17.

A. Chardy, CIA Knew in 1981 of Iran Arms Sales, Miami Herald, Aug. 9, 1987, at A-1.

A. Chardy, Reagan Aides Held Hostage Talks in 1980, Miami Herald, Apr. 12, 1987, at A-1.

W. Christopher, Christopher Urges Probe of Hostage Deal Charge, Los Angeles Times, Jan. 25, 1992, at A-18.

J. Cohen, Who Will Unwrap the October Surprise?, Columbia Journalism Review, Sept.-Oct. 1991, at 32.

M. Cooper, Bush Pilot?, The Village Voice, Aug. 13, 1991, at 19.

D. Corn, Leads Congress Should Pursue, The Nation, Jun. 24, 1991, at 844.

G.L. Cravitz, Bush Had Lunch with Potter Stewart, Not with Iranians, Wall Street Journal, May 8, 1991, at A-13.

L. Cutler, The October Surprise Made Unsurprising, New York Times, May 15, 1991, Sect. 1 at 27.

P.A. Deutsche, Iranian Leader Offers Hostage Aid for Arms, Washington Post, Nov. 29, 1986, at A-11.

Did the Reagan Campaign Cut a Deal with Iran to Release Hostages?, CNN Newsmaker Saturday, Apr. 27, 1991.

Did Reagan-Bush Campaign Make Hostage Deal?, ABC Nightline, Apr. 15, 1991.

Editorial, Coming to Grips with a Nightmare, Boston Globe, May 2, 1991, at A-9.

Editorial, A Consensus, Investigate, Baltimore Sun, May 16, 1991, at A-18.

Editorial, Congress Takes a First Step Toward 1980 Investigation, In These Times, at 14.

Editorial, Hostages, Then and Now, New York Times, Nov. 19, 1991, Sect. 1 at 24.

Editorial, More October Surprise Surprises, New York Times, Dec. 11, 1991, Sect. 1 at 26.

Editorial, October Surprise Probe, Boston Globe, Aug. 6, 1991, at 16.

Editorial, Some Dirty Dealing in Very High Places and the Media's Lack of Responsibility, In These Times, Oct. 12, 1988.

Editorial, The Story That Won't Die Pokes Through the Ashes -- Again, In These Times, Apr. 24, 1991, at 14.

Editorial, Was There an 'October Surprise?, Washington Post, Apr. 29, 1991.

Editorial, Yes, Do Try to Clear the Air, Los Angeles Times, Aug. 6, 1991, at B-4.

8 Ex-Hostages Ask Inquiry on '80 Campaign, New York Times, Jun. 14, 1991, Sect. 1 at 7.

S. Emerson and J. Furman, The Conspiracy That Wasn't, The New Republic, Nov. 18, 1991, at 16.

S. Emerson, The Man Behind the October Surprise Lie, Wall Street Journal, Nov. 27, 1991, at A-8.

R. Evans and R. Novak, The At All Costs Hostage Deal, Washington Post, Jan. 16, 1981, at A-17.

R. Evans and R. Novak, Carter's Hostage Ploy, Washington Post, Nov. 5, 1980, at A-17.

R. Evans and R. Novak, Changing Horses in Mid-Gulf?, Washington Post, Oct. 1, 1980, at A-17.

R. Evans and R. Novak, Standing Pat, Washington Post, Oct. 27, 1980, at A-17.

J. A. Farrell, Democrats Ponder Risks of Inquiry into Iran-Contra Campaign Charges, Boston Globe, Aug. 8, 1991, at 3.

L. Feldmann, Reluctantly, Rep. Hamilton Begins Investigating 1980 Hostage Deal, Christian Science Monitor, Aug. 9, 1991, at 9.

S. Fulwood III, Reagan Denies Trying to Delay Hostage Return, Los Angeles Times, Jun. 16, 1991, at A-1.

L. Gelb, A New Iran Hostage Scandal?, New York Times, Apr. 17, 1991, Sect. 1 at 23.

M. Ghorbanifar, Spoiling the October Surprise, New York Times, Aug. 28, 1991, Sect. 1 at 21.

N. Gibbs, Con Man or Key to a Mystery, Time, Jul. 1, 1991, at 24.

S. Grady, Did the October Surprise Become The October Fix?, Chicago Tribune from the Philadelphia Daily News, May 3, 1991, at 23.

L. Griffiths, Sources: Ex-Arms Dealer Testifies Bush Was at '80 Meeting in Paris, Philadelphia Inquirer, Jun. 28, 1992, at C-11.

S.M. Hersh, U.S. Said to Have Allowed Israel to Sell Arms to Iran, New York Times, Dec. 8, 1991, Sect. 1 at 1.

C. Hitchens, Minority Report, The Nation, Jun. 20, 1987, at 842.

C. Hitchens, Minority Report, The Nation, Jul. 4, 1987, at 7.

C. Hitchens, Minority Report, The Nation, Oct. 24, 1987, at 440.

C. Hitchens, Minority Report, The Nation, Nov. 21, 1987, at 582.

C. Hitchens, Minority Report, The Nation, Sept. 19, 1988, at 192.

C. Hitchens, Minority Report, The Nation, Oct. 3, 1988, at 262.

C. Hitchens, Minority Report, The Nation, Oct. 31, 1988, at 411.

C. Hitchens, Minority Report, The Nation, Jun. 17, 1989, at 78.

C. Hitchens, Minority Report, The Nation, May 28, 1990, at 731.

C. Hitchens, Minority Report, The Nation, Apr. 22, 1991, at 511.

C. Hitchens, Minority Report, The Nation, Jul. 1, 1991, at 6.

C. Hitchens, Minority Report, The Nation, Jul. 29, 1991, at 149.

C. Hitchens, Minority Report, The Nation, Sept. 9, 1991, at 256.

A. Hoffman and J. Silvers, An Election Held Hostage, Playboy, Oct. 1988, at 73.

B. Honegger and J. Naureckas, Did Reagan Steal the 1980 Election, In These Times, Jun. 24, 1987, at 12.

M. Hosenball, A Washington Scandal, Hollywood Style, Wall Street Journal, Dec. 26, 1991, at A-8.

M. Hosenball, If It's October...Then It's Time for an Iranian Conspiracy Theory, Washington Post, Oct. 9, 1988, at D-1.

M. Hosenball, October Surprise! Redux!, Washington Post, Apr. 21, 1991, at B-2.

Hussein and Hussein, CBS News 60 Minutes, Dec. 22, 1991.

H. Johnson, Hostages to the Past, Washington Post, Aug. 9, 1991, at A-2.

T. Kenworthy, Hostage-Deal Probers Shun Iran-Contra Model, Washington Post, Aug. 7, 1991, at A-4.

M. Killian, They're All Scared Stiff (Translation), Der Spiegel, Aug. 12, 1991, at 127.

J. King and F. Snepp, GOP Had Secret Channels to Iran, The Village Voice, Jul. 23, 1991, at 30.

S. Kurkjian, Former Hostages in Iran Demand Probe of Release, Boston Globe, Jun. 14, 1991, at A-1.

C.J. Lang, Have Guns, Will Travel, The Village Voice, Jul. 23, 1991, at 21.

G. Lardner Jr. and W. Pincus, Gregg Tries to Shield Iran-Contra File, Washington Post, May 16, 1992, at A-6.

R. Levey, U.S. Denies Arens' Claim, Boston Globe, Oct. 22, 1982, at 1.

F. Lewis, The Wiles of Teheran, New York Times, Aug. 3, 1987, Sect. 1 at 17.

N.A. Lewis, A Book Asserts Reagan Slowed Hostage Release, New York Times, Nov. 8, 1991, Sect. 1 at 16.

N.A. Lewis, Bani-Sadr Says Reagan Aides Made '80 Iran Deal, New York Times, May 7, 1991, Sect. 1 at 11.

N.A. Lewis, Panel Dismisses Talk That Bush Met With Iranians in Paris in 1980, New York Times, Jul. 2, 1992, at A-16.

N.A. Lewis, Pressure Rises for Inquiry on '80 Reagan Campaign, New York Times, Jun. 24, 1991, Sect. 1 at 10.

T.W. Lippman, Tale of Hostage Intrigue Refuses to Die, Washington Post, May 4, 1991, at A-1.

E. Lucas, Reagan Spreads Confusion on Iran, The Independent, Jun. 17, 1991, at 12.

E. Magnuson, Arms for the Ayatollah, Time, Jul. 25, 1983, at 26.

H.V. Martin, Bush Made Deal With Iranians, Pilot Says, Napa Sentinel, May 3, 1991, at 1.

H.V. Martin, French Connection -- The Smoking Gun, Napa Sentinel, May 24, 1991, at 1.

H.V. Martin, Israelis Are Blowing Whistle on Bush Administration, Napa Sentinel, May 7, 1991, at 1.

H.V. Martin, Media Almost Broke the Bush-Iran Story Several Years Earlier, Napa Sentinel, May 14, 1991, at 1.

H.V. Martin, More Damaging Testimony Given, Napa Sentinel, May 10, 1991, at 1.

H.V. Martin, Pilot's Full Account of Bush's Paris Flight, Napa Sentinel, May 17, 1991, at 1.

H.V. Martin, Secret French Memo on 'October Surprise', Napa Sentinel, May 21, 1991, at 1.

H.V. Martin, Secret Service Can't Account for Bush, Napa Sentinel, May 28, 1991, at 1.

H.V. Martin, The Conclusion: Did Bush Go to Paris?, Napa Sentinel, Jun. 4, 1991, at 1.

H.V. Martin, Who Is This Man Who Claims He Flew Bush to Paris?, Napa Sentinel, May 31, 1991, at 1.

K. Masters and D. Streitfeld, Hollywood's 'October Surprise', Washington Post, Nov. 14, 1991, at C-1.

J. Mayer and J. Walcott, Israel Said to Have Sold Weapons to Iran Since 1981 With Tacit Approval of the Reagan Administration, Wall Street Journal, Nov. 28, 1986, at A-3.

M. McConnell and G. Sick, Should Congress Investigate the October Surprise?, New York Times, Jan. 15, 1992, Sect. 1 at 21.

P. McDowell, Ex-Iranian President Wants to Testify in Reagan Campaign Probe, Associated Press, Aug. 7, 1991.

D. McManus, 1980 Deal Alleged; Leads, Leaps of Faith in Hostage Tale, Los Angeles Times, Oct. 25, 1988, Sect. 1 at 1.

G. D. Moffett III, New Allegations Implicate Reagan, Christian Science Monitor, Apr. 19, 1991, at 4.

R. Morris, Behind the October Surprise, The Village Voice, May 21, 1991, at 31.

J.J. Moss and P.M. Rodriguez, Foley Denies Secret Hostage Probe, Washington Times, Aug. 1, 1991, at A-3.

J. Nesmith and S. Shepard, Reagan Adviser Meese, Iranian Linked in '80 Report, Atlanta Journal-Constitution, Jun. 20, 1991, at A-1.

D. Nyhan, Israel Plan Was Aimed at Toppling Khomeini, Boston Globe, Oct. 21, 1982, at 1.

D. Nyhan, Israeli Disputes Globe Story, Boston Globe, Oct. 23, 1982, at 4.

D. Oberdorfer, From U.S. Officials, Denials and Uncertainty, Washington Post, Nov. 1, 1980, at A-1.

D. Oberdorfer, Iran Denies Role in '80 Campaign, Washington Post, Sept. 26, 1991, at A-25.

The October Surprise, ABC Nightline, Jun. 20, 1991.

October Surprise Continuing Debate, ABC Nightline, Nov. 12, 1991.

October Surprise Investigation, CNN Larry King Live, Aug. 5, 1991.

October Surprise Update, ABC Nightline, Jun. 26, 1991.

M.A. Palmer, A Question for Gary Sick, Wall Street Journal, Jun. 18, 1991, at A-18.

R. Parry, The Election Held Hostage, PBS Frontline, Apr. 16, 1991.

R. Parry, Investigating the October Surprise, PBS Frontline, Apr. 7, 1992.

J. Persico, The Case for a Conspiracy, New York Times, Dec. 22, 1991, Sect. 7 at 7.

W. Pincus, Iranian Gives No Evidence of 'Contacts', Washington Post, May 7, 1991, at A-15.

W. Pincus, Meese Denies Reagan-Bush Campaign Link to Alleged Hostage-Release Delay, Washington Post, Jul. 8, 1991, at A-12.

W. Pincus and B. Woodward, Israeli Sale Said Allowed by Haig in '81, Washington Post, Nov. 29, 1986, at A-1.

D. Pipes, Gary Sick's Same Old Song, Wall Street Journal, May 2, 1991, at A-16.

Presidential Daughter Patti Davis Bears All About Ron and Nancy, Phil Donahue Show, Jun. 5, 1992.

Reagan Library Search Finds No 'October Surprise' Evidence, Reuters, Jul. 30, 1991.

Reagan Requests Search of '80 Files, New York Times, Jun. 30, 1991, Sect. 1 at 12.

P.M. Rodriguez, Hill Democrats Hid 'October Surprise' Probe, Washington Times, Jul. 26, 1991, at A-1.

E. Roeder, The October Surprise and the Democrats, Baltimore Sun from The Sunshine Press, Jul. 5, 1991, at A-11.

D. Rogers, Perot Sent a Team to Investigate Claims of Bush Role in 'October Surprise' Plot, Wall Street Journal, at A-20.

S. Schanberg, Air the Hostage-Deal Charges, Baltimore Sun from Newsday, May 15, 1991, at A-16.

P. Seale, Israel Sends Spares for U.S. Arms to Iran, London Sunday Observer, Nov. 2, 1980, at 14.

J. Seper, Reagan Aide Says Memo Disproves 'Surprise' Claim, Washington Times, Jun. 25, 1992, at A-7.

G. Sick, The Election Story of the Decade, New York Times, Sect. 1, 1991, at 17.

E. Silver, Denials and Uneasy Silence, London Sunday Observer, Nov. 2, 1980, at 9.

J. Silvers, Arms Business as Usual: Guns to Iran Since 1980, In These Times, Oct. 12, 1988, at 12.

J. Simpson, The Pawns of Politics, Los Angeles Times, Dec. 8, 1991, Book Review, Sect. at 1.

P.F. Sisler, Reagan Team in Secret Deal, Iranian Says, Washington Times, May 3, 1991, at A-7.

F. Snepp, Brenneke Exposed, Village Voice, Sept. 10, 1991, at 27.

F. Snepp, Britain's Role in the October Surprise, Village Voice, Aug. 20, 1991, at 19.

F. Snepp, Did the Israelis Co-Opt the October Surprise?, The Village Voice, Jun. 25, 1991, at 30.

F. Snepp, Finally...The October Surprise Tapes, Village Voice, Dec. 24, 1991, at 35.

F. Snepp, October Surmise, Village Voice, Feb. 25, 1992, at 29.

F. Snepp, October Surprise Demise, Washington Times, Aug. 12, 1992, at G-1.

F. Snepp and G. Sick, The Hunt for the October Surprise, Village Voice, Mar. 3, 1992, at 34.

T. Sonenshine, Three Days in July, Financial Times, Jun. 21, 1991, Sect. 1 at 6.

M. Tolchin, Way Cleared for Investigation of October Surprise Rumor, Feb. 6, 1992, Sect. 1 at 19.

C. Unger, October Surprise, Esquire, Oct. 1991, at 92.

C. Unger, The FBI's Mystery Tapes, Washington Post, May 17, 1992, at C-1.

C. Unger, The Trouble With Ari, Village Voice, Jul. 7, 1992, at 33.

J. Wallach, Iran-Israel Arms Deal Began in 1980 Meetings Held Before Reagan Took Office, Albany Times-Union from Hearst News Service, Mar. 7, 1987, at A-1.

Was There a Reagan-Iran Hostage Deal?, CNN Larry King Live, Jul. 9, 1991.

H. Wasserman, Arms for Hostages Deal Is Treason, Columbus Free Press, Jun. 1991.

S. Weinberg, The October Surprise: Enter the Press, Columbia Journalism Review, Mar.-Apr. 1992, at 33.

M. Wines, U.S. Official Denies Rumors of Secret Talks on Hostages, New York Times, at Sect. 1, 12.

J.E. Yang, Reagan Calls Hostage Plot 'Fiction', Washington Post, Jun. 16, 1991, at A-4.

Books

D. Andelman and A. de Marenches, The Fourth World War: Diplomacy and Espionage in the Age of Terrorism, William Morrow and Company, Inc., 1992.

S. Bakhash, The Reign of the Ayatollahs: Iran and the Islamic Revolution, Basic Books, Inc., 1984.

A. Bani-Sadr, My Turn to Speak: Iran, the Revolution, and Secret Deals with the U.S., Brassey's, Inc., 1991.

M. Bar-Zohar, Ben Gurion and the Policy of Periphery, in Itamar Rabinovich and Jehuda Reinharz, eds., Israel in the Middle East: Documents and Readings on Society, Politics, and Foreign Relations 1948-Present, Oxford University Press, 1984.

A. Ben-Menashe, Profits of War: Inside the Secret U.S.-Israeli Arms Network, Sheridan Square Press, 1992.

J. Carter, Keeping Faith: Memoirs of a President, Bantam Books, 1982.

W. Christopher, American Hostages in Iran: The Conduct of a Crisis, Yale University Press, 1985.

A. and L. Cockburn, Dangerous Liaison: The Inside Story of the U.S.-Israeli Covert Relationship, Harper Perennial, 1991.

R. Dreyfuss, Hostage to Khomeini, New Benjamin Franklin House, 1980.

P. Eddy, Hunting Marco Polo, The Pursuit of the Drug Smuggler Who Couldn't Be Caught by the Agent Who Wouldn't Quit, Little, Brown, and Company, Inc., 1991.

S. Emerson and C. Del Sesto, Terrorist: The Inside Story of the Highest-Ranking Iraqi Terrorist Ever to Defect to the West, Villard Books, 1991.

S. Emerson, Secret Warriors: Inside the Covert Military Operations of the Reagan Era, G.P. Putnam's Sons, 1988.

A.M. Haig, Jr., Inner Circles: How American Changed the World, Warner Books, 1992.

S. Hersh, The Samson Option: Israel's Nuclear Arsenal and American Foreign Policy, Random House, 1991.

B. Honegger, October Surprise, Tudor Publishing Company, 1989.

The Iran Hostage Crisis: A Chronology of Daily Developments, U.S. Government Printing Office, 1981.

C. Jerome, The Man in the Mirror: An Inside Story of Revolution, Love, and Treachery in Iran, Unwin Hyman, 1987.

H. Jordan, Crisis: The Last Year of the Carter Presidency, G.P. Putnam's Sons, 1982.

M. Kennedy, The Ayatollah in the Cathedral: Reflections of a Hostage, Hill and Wang, 1986.

V. Kuzichkin, Inside the KGB: My Life in Soviet Espionage, Ivy Books, 1990.

M. Ledeen and W. Lewis, Debacle: The American Failure in Iran, Vintage Books, 1980.

Middle East Watch, Needless Deaths in the Gulf War, Human Rights Watch, 1989.

O. North, Under Fire: An American Story, Harper Collins Publishers, 1991.

J.E. Persico, Casey: The Lives and Secret of William J. Casey from the OSS to the CIA, Penguin Books, 1990.

J. Powell, The Other Side of the Story, William Morrow and Company, 1984.

M. Rafizadeh, Witness: From the Shah to the Secret Arms Deal, William Morrow and Company, 1987.

D. Raviv, Every Spy a Prince: The Complete History of Israel's Intelligence Community, Houghton Mifflin, 1990.

B. and B. Rosen, The Destined Hour: The Hostage Crisis and One Family's Ordeal, Doubleday & Company, Inc., 1982.

P. Salinger, America Held Hostage: The Secret Negotiations, Doubleday and Company, Inc., 1981.

A. Sampson, The Seven Sisters, The Viking Press, 1975.

R. Secord, Honored and Betrayed: Irangate, Covert Affairs, and the Secret Wars in Laos, John Wiley and Sons, Inc., 1992.

S. Segev, The Iranian Triangle: The Untold Story of Israel's Role in the Iran-Contra Affair, The Free Press, 1988.

G. Sick, All Fall Down: America's Tragic Encounter With Iran, Penguin Books, 1985.

G. Sick, October Surprise: America's Hostages in Iran and the Election of Ronald Reagan, Times Books, 1991.

B. Woodward, Veil: The Secret Wars of the CIA 1981-1987, Pocket Books, 1987.

Reports

House Subcommittee on Human Resources of the Committee on Post Office and Civil Service, "Unauthorized Transfers of Non-Public Information During the 1980 Presidential Election," Committee Print 98-12, May 17, 1984.

Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, Senate Report No. 100-216, November 17, 1987.

Report of the President's Special Review Board, February 26, 1987.

United States General Accounting Office, "Preliminary Inquiry into Alleged 1980 Negotiations to Delay the Release of the Iranian Hostages Until After the November Election," for the Committee on Rules, November 7, 1991.

DATE 10/27/80

RE: Visit/Departure/Arrival of George Bush to/from/at Chevy Chase Country Club, Conn Ave Chevy Chase, Md. on 10/24/80

INTRODUCTION

A short narrative paragraph including: Agents conducting, date(s) of survey, site(s) surveyed, protectee(s) involved, arrival/departure time(s) and date(s), location(s) visited, activities if applicable, mode of transportation (if by other than motorcade, Agents accompanying).

NAME	RESPONSIBILITY	DATE OF ARRIVAL
b7c	Lead Advance	N/A

SECURITY

The b2 C/P was utilized for communications during this movement. (WFO, Detail C/P, Airport C/P)

The following Special Agent(s) were utilized:

ID Team: ___ TSD

Security was effected at N/A by the following law enforcement agencies:

___ Hospital was surveyed and routes designated.

Communications: b2, 7E frequency was the primary frequency during this movement. Posts, ID, and TSD utilized ___ b2, b7E ___ frequency.

Additional Security Measures: Posts:

Number of SA Posts utilized: b2, 7E Number of OTA Posts utilized: b2

CONCLUSION

There were no unusual incidents during this movement./The following unusual incident(s) occurred:

List notifications made or attach notification check list. The following people assisted the Secret Service in this survey (if applicable):

App. 1036

SA b7c

000461

PROTECTIVE OPERATIONS ACTIVITY AND PERSONNEL REPORT

TO: D/L William Hudson	OFFICE: Mrs. Barbara Bush Detail	DATE OF ACTIVITY: October 19, 1986
FROM (SHIFT, DETAIL, OR SECTION)	WEATHER: Cool / Cloudy	DAY OF WEEK: Sunday
	LOCATION: Washington, D.C.	

SPECIAL AGENTS	REGULAR HOURS	EXTRA HOURS	REMARKS

b3 26 E

PREPARED BY (PRINT OR TYPE) | PREPARED BY (SIGNATURE)

UNITED STATES SECRET SERVICE

SSF 1875 (04-77)

App. 1036 -A

ACTIVITY OF SECTION

DATE OF ACTIVITY
October 19, 1980

All weapons were checked by and found to be in proper operational order Protectee's vehicle was checked and no damage determined.

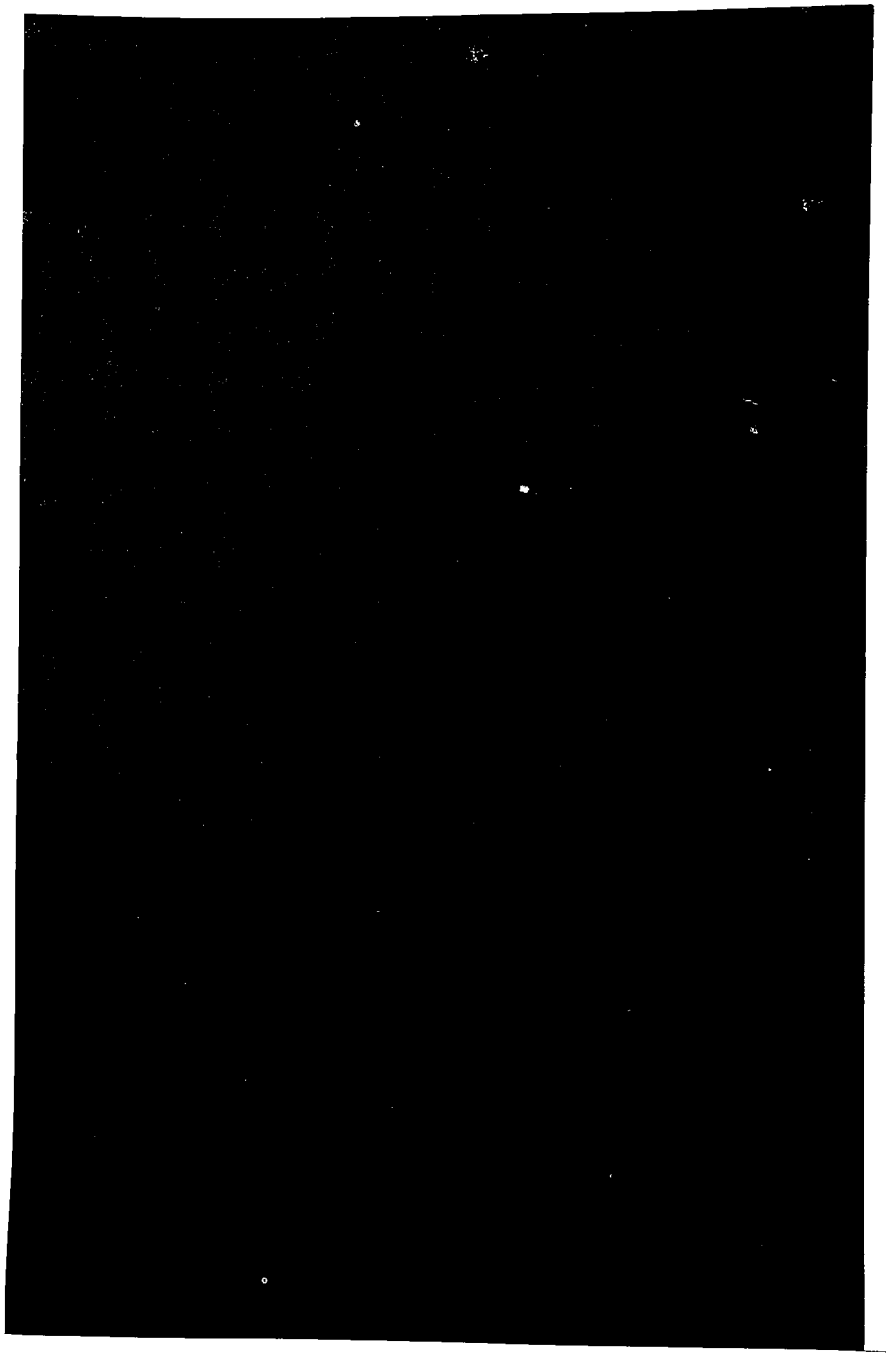
This shift relieved the (Amb. Bush Detail) at the CP, 4429 Lowell St., N.W., Washington, D.C. The protectee was in residence.

10:00 AM Depart above location VIA L
10:10 AM ARR. C&O Canal, jogging paths, Washington, D.C.
10:50 AM Depart above location - same vehicle and assignments.
11 00 AM Arrive residence, 4429 Lowell St., N.W., Washington, D.C.
1:35 PM Depart residence VIA , Amb. Bush Detail).
(Amb. Bush Detail) and worked. maintained residence security.
1:40 PM Arrive Washington, D.C.
3:05 PM Depart above location - same vehicles and assignments
3 11 PM Arrive residence, 4429 Lowell St., N.W., Washington, D.C.
This shift was relieved by the at the CP, 4429 Lowell St., N.W., Washington, D.C. The protectee was in residence.

There were no unusual incidents.

b7C, E

App. 1036-B



102D CONGRESS
2d Session

TASK FORCE PRINT

U.S. HOUSE OF REPRESENTATIVES

RULES

OF THE

TASK FORCE TO INVESTIGATE CERTAIN ALLEGATIONS CONCERNING THE HOLDING OF AMERICAN HOSTAGES BY IRAN IN 1980 ("OCTOBER SURPRISE TASK FORCE")

ADOPTED MARCH 11, 1992

Printed for the use of the October Surprise Task Force

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1992

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-038390-0

62-366 O - 93 - 31

TASK FORCE TO INVESTIGATE CERTAIN ALLEGATIONS CONCERNING THE HOLDING OF AMERICAN HOSTAGES BY IRAN IN 1980 ("OCTOBER SURPRISE TASK FORCE")

LEE H. HAMILTON, Indiana, *Chairman*
HENRY J. HYDE, Illinois, *Ranking Republican Member*

STEPHEN J. SOLARZ, New York	JIM LEACH, Iowa
SAM GEJDENSON, Connecticut	OLYMPIA J. SNOWE, Maine
MERVYN M. DYMALLY, California	DOUG BEREUTER, Nebraska
ROBERT G. TORRICELLI, New Jersey	PORTER J. GOSS, Florida
HOWARD L. BERMAN, California	
EDWARD F. FEIGHAN, Ohio	
TED WEISS, New York	

E. LAWRENCE BARCELLA, JR., *Chief Counsel*
RICHARD J. LEON, *Chief Minority Counsel*

CONTENTS

	Page
Part 1 House Resolution 258	1
Part 2 Rules of procedure of the task force of members of the House Committee on Foreign Affairs to investigate certain allegations concerning the holding of Americans as hostages by Iran in 1980	9
Rule 1 Rules	9
Rule 2 Convening of Meetings	9
Rule 3 Meeting Procedures	9
Rule 4 Subpoenas	10
Rule 5 Broadcasting, Television, and Photography	11
Rule 6 Taking of Testimony at Hearings	12
Rule 7 Affidavits and Depositions	14
Rule 8 Procedures for Handling of Classified or Sensitive Materials	15
Rule 9 Staff, Detailees, and Consultants	17
Part 3 Selected Rules of the House of Representatives	19

House Calendar No. 81

102D CONGRESS
1ST SESSION

H. RES. 258

[Report No. 102–296, Parts I and II]

A resolution Establishing a Task Force of Members of the Foreign Affairs Committee To Investigate Certain Allegations Concerning the Holding of Americans Hostages by Iran in 1980

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 1991

Mr. HAMILTON (for himself, Mr. GEPHARDT, Mr. FASCELL, and Mr. DELAY) submitted the following resolution, which was referred to the Committee on Rules

NOVEMBER 8, 1991

Reported from the Committee on Rules with an amendment and referred to the Committee on House Administration for a period ending not later than November 14, 1991, for consideration of such provisions of the resolution and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k) of rule X

[Strike out all after the resolving clause and insert the part printed in italic]

NOVEMBER 15, 1991

Referral to the Committee on House Administration extended for a period ending not later than November 19, 1991

NOVEMBER 19, 1991

Reported from the Committee on House Administration with an amendment referred to the House Calendar, and ordered to be printed

[Strike out the part in black brackets and insert the part printed in boldface roman]

[For text of introduced resolution, see copy of resolution as introduced on October 23, 1991]

RESOLUTION

Creating a Task Force of Members of the Foreign Affairs Committee To Investigate Certain Allegations Concerning the Holding of Americans as Hostages by Iran in 1980.

Resolved, That (1) There is hereby created a Task Force of Members of the House Committee on Foreign Affairs to Investigate Certain Allegations Concerning the Holding of Americans as Hostages by Iran in 1980, to be composed of thirteen Members of the House Committee on Foreign Affairs to be appointed by the Speaker, one of whom he shall designate as chairman. The Speaker shall, with respect to the Republican Members of the Task Force, make such appointments upon consultation with the Republican Leader. Any vacancy occurring in the membership of the Task Force shall be filled in the same manner in which the original appointment was made. The Task Force is, with respect to the matters described below, authorized and directed to conduct a full and complete investigation and study, and to make such findings as are warranted, including, where appropriate, a finding that no credible evidence can be found to support particular allegations. The Task Force is further authorized and directed to make such recommendations to the Committee on Foreign Affairs as the Task Force deems appropriate, including those concerning the amendment of existing legislation or the enactment of

new legislation. The Task Force shall fulfill these functions with respect to the following matters:

(a) Communications by or on behalf of the 1980 Reagan Presidential Campaign, or individuals representing or associated with that campaign, with any person or persons representing or associated with the Iranian Government or those persons with Iran holding Americans as Hostages during 1979 and 1980.

(b) Any attempt or proposal to attempt, by the 1980 Reagan Presidential Campaign or persons representing or associated with that campaign, to delay the release of the Americans held as hostages in Iran;

(c) Any activity by the 1980 Reagan Presidential Campaign to acquire or disseminate any information relating to actions being taken or considered by the United States Government in an effort to obtain the release of the Americans being held as hostages in Iran,

(d) Any sale or other transmittal of arms, spare parts or other assistance to Iran, in 1980 or thereafter, by any person or nation, intended to delay the release of the American held as Hostages by Iran, and any approval, acquiescence or knowledge of such sales or transmittals by the 1980 Reagan Presidential

Campaign or persons representing or associated with that campaign; and

(c) Any actions taken to keep any communications or actions as described above, if any such communications or actions took place, from being revealed to the Government of the United States or the American people

(2) One third of the members of the Task Force shall constitute a quorum for the transaction of business other than the reporting of a matter, which shall require a majority of the Task Force to be actually present, except that the Task Force may designate a lesser number, but not less than two, as a quorum for the purpose of holding hearings to take testimony. When a quorum for any particular purpose is present, general proxies may be counted for that purpose. The Task Force may sit while the House is reading a measure for amendment under the five-minute rule. The rules of the House shall govern the Task Force where not inconsistent with this resolution. The Task Force shall adopt additional written rules, which shall be public, to govern its procedures, which shall not be inconsistent with this resolution or the rules of the House. Such rules may govern the conduct of the depositions, interviews, and hearings of the Task Force, including the persons present. Such rules shall

provide for the protection of classified information from unauthorized disclosure.

(3) The Task Force is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or in any other country, whether the House is in session, or has adjourned; to require, by subpoena or otherwise, the attendance and testimony of such witnesses, the furnishing of information by interrogatory, and the production of such books, records, correspondence, memoranda, papers, documents, calendars, recordings, data compilations from which information can be obtained, tangible objects, and other things and information of any kind as it deems necessary, including all intelligence materials however classified, White House materials, campaign materials, materials of present and former government officials and materials pertaining to unvouchered expenditures or concerning communications interceptions or surveillance; and to obtain evidence in other appropriate countries with the cooperation of their governments and by letters rogatory, commissions, field depositions and other appropriate mechanisms. Unless otherwise determined by the Task Force the chairman, upon consultation with the ranking Republican member, on the Task Force, shall authorize and issue subpoenas. Subpoenas shall be issued under the seal of the House and

attested by the Clerk, and may be served by any person designated by the chairman or any member. The Task Force may request investigations, reports, and other assistance from any agency of the executive, legislative, and judicial branches of the Federal Government.

(4) The chairman, or in his absence a member designated by the chairman, shall preside at all meetings and hearings of the Task Force. All meetings and hearings of the Task Force shall be conducted in open session, unless a majority of members of the Task Force voting, there being in attendance the requisite number required for the purpose of hearings to take testimony, vote to close a meeting or hearing.

(5) The Chairman, upon consultation with the ranking Republican member, may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purposes of this resolution. The Task Force shall be deemed a committee of the House for all purposes of law, including House Rule XI (2)(a), and sections 6005, 1505, and 1621 of title 18, section 192 of title 2, 1754(b)(1)(B)(ii) of title 22, and section 734(a) of title 31, United States Code. The Task Force may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the per-

formance of the duties vested in the Task Force, other than expenses in connection with meetings of the Task Force held in the District of Columbia.

(6) Unless otherwise determined by the Task Force the chairman, upon consultation with the ranking Republican member, or the Task Force, may authorize the taking of affidavits, and of depositions pursuant to notice or subpoena, by a Member or by designated staff, under oath administered by a Member or a person otherwise authorized by law to administer oaths. Disposition and affidavit testimony shall be deemed to have been taken in Washington, DC, before the Task Force once filed there with the clerk of the Task Force for the Task Force's use. Depositions shall be deemed to be taken in Executive Session.

(7) The Task Force shall be authorized to respond to any judicial or other process, or to make any applications to court, upon consultation with the Speaker consistent with rule L.

(8) The Task Force shall provide other committees and Members of the House with access to information and proceedings, consistent with rule XLVIII(7)(e). Provided, That the Task Force may direct that particular matters or classes of matter shall not be made available to any person by its members, staff, or others, or may impose any other restriction. The Task Force may require its staff to enter

8

nondisclosure agreements and its chairman, in consultation with the ranking Republican member, may require others, such as counsel for witnesses, to do so. Provided further, That the Task Force shall, as appropriate, provide access to information and proceedings to the Speaker, the Majority Leader, the Republican Leader, and their appropriately cleared and designated staff.

*(9) Authorized expenses of the Task Force for investigations and studies, including for the procurement of the services of individual consultants or organizations thereof, and for training of staff, shall be paid from the contingent fund of the House upon vouchers signed by the chairman and approved by the [Speaker] **Chairman of the Committee on House Administration***

(10) By July 1, 1992, the Task Force shall report to the House the status of its investigation. With respect to this and any other report of the Task Force, including its final report, the report shall be accompanied by supplemental or additional minority views.

(11) At the conclusion of the existence of the Task Force, all records of the Task Force shall become the records of the Committee on Foreign Affairs except for those records relating to intelligence matters which shall, upon the Task Force's designation, become the records of the House Permanent Select Committee on Intelligence.

PART 2—RULES OF PROCEDURE OF THE TASK FORCE OF MEMBERS OF THE HOUSE COMMITTEE ON FOREIGN AFFAIRS TO INVESTIGATE CERTAIN ALLEGATIONS CONCERNING THE HOLDING OF AMERICANS AS HOSTAGES BY IRAN IN 1980

["October Surprise Task Force"]

Rule 1. Rules

1.1 The provisions of House Resolution 258, 102nd Congress, 2nd Session, establishing this Task Force, and the Rules of the House of Representatives where not inconsistent therewith, are the rules of the Task Force, together with these Rules.

1.2 These Rules may be modified, amended, or repealed by the Task Force, provided that a notice in writing of the proposed changes has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken. Notwithstanding the provisions of Rule 3, proxies may not be used in any vote to modify, amend, adopt, or repeal any rule of the Task Force. The changes shall become effective immediately and shall be published in the Congressional Record.

Rule 2. Convening of Meetings

2.1 The Task Force may schedule a regular day and hour to meet.

2.2 The chairman shall have authority, upon proper notice, to call such additional meetings of the Task Force as he may deem necessary, and to dispense with regular meetings when, in his judgment, there is no need therefore, and may delegate such authority to any other member of the Task Force.

2.3 A majority of the members of the Task Force may call a special meeting for a specific matter pursuant to the procedures specified in House Rule XI(2)(c)(2).

2.4 In the case of any meeting of the Task Force, other than a regularly scheduled meeting, the clerk of the Task Force shall notify each member of the Task Force of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

Rule 3. Meeting Procedures

3.1 One-third of the members of the Task Force shall constitute a quorum for the transaction of business other than the reporting of a matter, which shall require a majority of the Task Force, except that two members shall constitute a quorum for hearing testimony.

3.2 All meetings or hearings of the Task Force shall be conducted in open session, unless a majority of members of the Task Force voting, there being in attendance at least two members of the Task Force, vote to close a meeting or hearing.

3.3 When a quorum for any particular purpose is present, general proxies may be counted for that purpose. Proxies may be general or may be limited to specific matters. A vote by any member of the Task Force with respect to any matter being considered may be cast by proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present, and designates the member or alternate member who is to execute the proxy authorization. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time that the proxy is signed. Proxies shall be effective at the session for which they are provided, or if that session is rescheduled, at the rescheduled session. Proxies shall not reduce the quorum required for reporting contempt matters and will not be counted towards the two-thirds minimum requirement pursuant to 18 U.S.C. § 6005 needed to seek an immunity order.

3.4 It shall be the duty of a staff officer designated by the chairman to keep or cause to be kept a stenographic record of all Task Force proceedings. All transcripts, affidavits, and depositions, *and copies and extracts thereof*, shall be the property of the Task Force, and not of the witnesses, unless the Task Force determines otherwise.

3.5 The Chairman, or in his absence a member designated by the chairman, shall preside over all meetings and hearings of the Task Force.

Rule 4. Subpoenas

4.1 The chairman, upon consultation with the ranking Republican member, shall authorize and issue subpoenas. In addition, the Task Force may itself vote to authorize and issue subpoenas. Subpoenas shall be issued under the seal of the House and attested by the Clerk, and may be served by any persons designated by the chairman. Subpoenas shall be issued upon the chairman's signature or that of a member designated by him or by the Task Force.

4.2 Orders for the furnishing of information by interrogatory, the inspecting of locations and systems of records upon notice except in exigent circumstances, the obtaining of evidence in other countries by means of letters rogatory or otherwise, and other processes for obtaining information available to the Task Force, shall be authorized and issued by the chairman, upon consultation with the ranking Republican member, or by the Task Force. In addition to the procedures provided for in Rule 4.1 and 4.4, requests for investigations, reports, and other assistance from any agency of the executive, legislative, and judicial branches of the federal government, may be made by the chairman, upon consultation with the ranking Republican member, or by the Task Force.

4.3 Provisions may be included in the process of the Task Force to prevent the disclosure of Task Force demands for information, when deemed necessary for the security of information or the progress of the investigation by the chairman or member designated by him or the Task Force, such as requiring that companies receiving subpoenas for financial or toll records make no disclosure to customers regarding the subpoena for ninety days or prohibiting the revelation by witnesses and their counsel of Task Force inquiries.

4.4 A subpoena duces tecum for documents may be issued whose return shall occur at a deposition or at another time and place other than at a hearing or meeting. When a return on such a subpoena or order is incomplete or accompanied by an objection, the chairman, upon consultation with the ranking Republican member or, if unavailable, the senior Republican member, may convene a meeting or hearing on shortened notice to determine the adequacy of the return and to rule on the objection or may refer the issues raised by the return for decision by poll of the Task Force. At a meeting or hearing for testimony on such a return, two members shall constitute a quorum.

Rule 5. Broadcasting, Television, and Photography

5.1 Whenever any hearing or meeting conducted by the Task Force is open to the public, the Task Force may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) The chairman may set limits on the number of television cameras, all operating from fixed positions, that shall be permitted in a hearing room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(3) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee, or the visibility of that witness and that member to each other.

(4) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(5) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from the hearing room while the Task Force is in session.

(6) Floodlights, spotlights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage of the hearing at the current state of the art of television coverage.

(7) The chairman may set limits on the number of press photographers permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than the limit set by the chairman for coverage of the hearing by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(8) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Task Force members.

(9) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(10) Personnel providing coverage by the television and radio media shall be then currently accredited to the Press Photographers' Gallery.

(11) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(12) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 6. Taking of Testimony at Hearings

6.1 Witnesses required to appear before the Task Force shall be given, absent extraordinary circumstances, at least forty-eight hours' notice and all witnesses shall be furnished with a copy of these rules, House Rules X and XI and H. Res. 258.

6.2 All witnesses at public or executive hearings who testify to matters of fact shall be sworn unless the chairman authorizes waiver of the oath.

6.3 Members of the Task Force who so desire shall have not to exceed five minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness. The presiding member, in consultation with the ranking Republican member present, may establish a format for additional or sustained questioning of any witness by the chair or by another member.

6.4 Counsel representing any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing, and to advise such witness while he is testifying on his legal rights; provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, or represented by counsel representing other witnesses, the chairman of the Task Force, upon consultation with the ranking Republican member, may rule that such representation creates a conflict of interest, and that the witness shall be represented by other counsel without such conflict. Counsel shall not be permitted to make a statement, unless authorized to do so by the chairman.

6.5 The chairman, upon consultation with the ranking Republican member, if he deems it necessary to maintain the security of classified subjects being discussed at closed hearings, may require that any personal counsel be qualified by having appropriate clearance, and that the witness or counsel, or both, execute nondisclosure agreements with the Task Force.

6.6 A witness who is unable to obtain counsel, or to obtain counsel with requisite clearance, may inform the Task Force of such fact, and if, consistent with the notice given under section 6.1 hereof the Task Force is so informed at least 24 hours prior to the witness' appearance, the Task Force shall then endeavor to obtain voluntary counsel for the witness. Such counsel shall act solely for the witness and not the Task Force. Failure to obtain qualified counsel will not excuse the witness from appearing and testifying.

6.7 Counsel shall conduct themselves in an ethical and professional manner. The presiding member may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearing, and the Task Force may cite the offender to the House for contempt. If counsel is excluded, the provisions of Rule 6.6 hereof for a witness who is unable to obtain qualified counsel shall apply.

6.8 Any witness desiring to make an introductory statement in executive or public hearings shall file a copy of such statement with the chairman or clerk of the Task Force 48 hours in advance of the hearings at which the statement is to be presented unless the Task Force by majority vote waives this requirement. The presiding member shall reduce the 48 hours proportionately for witnesses who receive less than 72 hours' notice of the hearing. The presiding member shall determine whether such statement may be read or placed in the record of the hearing. Unless the Task Force determines otherwise, a witness who appears before the Task Force under a grant of immunity shall not be permitted to make a statement or testify except to respond directly to questions posed by members or staff.

6.9 An accurate stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. A witness may obtain a transcript copy of his testimony given at a public session. If the witness testified at an executive session, the record of his testimony shall be made available for inspection by the witness and his counsel, and the chairman may authorize provision of a copy to the witness or his counsel if such testimony does not include classified information.

6.10 No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Task Force.

6.11 In the presiding member's discretion, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The presiding member may condition the filing of such a sworn statement upon the offeror's agreeing to appear personally before the Task Force and to testify concerning the matters contained in his sworn statement, as well as any other matters related to the subject of the investigation before the Task Force.

Rule 7. Affidavits and Depositions

7.1 The chairman, upon consultation with the ranking Republican member, or the Task Force, may authorize the taking of affidavits, and of depositions pursuant to notice or subpoena. Such authorization may occur on a case-by-case basis, or by instructions to take a series of affidavits or depositions. The chairman may either issue the deposition notices himself, or direct the chief counsel to do so. Notices for the taking of depositions shall specify a time and place for examination. Affidavits and depositions shall be taken under oath administered by a member or a person otherwise authorized by law to administer oaths. Such depositions may, if deemed necessary by the chairman in consultation with the ranking Republican member, be taken by telephone.

7.2 The Task Force shall not initiate procedures leading to contempt proceedings in the event a witness fails to appear at a deposition unless the deposition notice was accompanied by a Task Force subpoena authorized and issued by the chairman or the Task Force pursuant to Rule 4 hereof regarding subpoenas.

7.3 Witnesses may be accompanied at a deposition by counsel representing the witness to advise them of their rights, subject to the provisions of Rules 6.4, 6.5, 6.6 and 6.7 hereof. Absent special permission or instructions from the chairman, no one may be present in depositions except members, chief counsel, chief minority counsel, staff designated by the chief counsel and chief minority counsel, an official reporter, the witness and counsel representing the witness; observers or counsel for other persons or for agencies may not attend.

7.4 Witnesses shall be examined in depositions by a member or members or by the chief counsel, chief minority counsel or staff designated by the chairman. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to answer, the members or staff may proceed with the deposition, or may obtain, at the time or at a subsequent time, a ruling on the objection by telephone or otherwise from the chairman or his designee. The Task Force shall not initiate procedures leading to contempt for refusals to answer questions at a deposition unless the witness refuses to testify after his objection has been overruled and after he has been ordered and directed to answer by the chairman or a member designated by the chairman, upon consultation with the ranking Republican member or his member designee.

7.5 The staff shall insure that the testimony is either transcribed or electronically recorded, or both. If a witness' testimony is transcribed, he shall be furnished with an opportunity to review a copy. No later than five days thereafter, the staff shall enter the changes, if any, requested by the witness, with a statement of the witness' reasons for the changes, and the witness shall be instructed to sign the transcript. The individual administering the oath, if other than a Member, shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall be filed, together with any electronic recording, with the clerk of the Task Force in Washington, D.C. Affidavits and depositions shall be deemed to have been taken in Washington, D.C. once filed there with the clerk of the Task Force for the Task Force's use.

7.6 All depositions, affidavits, and other materials received in the investigation shall be considered nonpublic until received by the Task Force. Once received by the Task Force, use of such materials shall be governed by the Task Force rules. Classified information or material shall not be used in open session except as permitted by the Task Force, which shall require a vote of a majority of the members of the Task Force.

7.7 Written interrogatories and requests for admission may be authorized and issued by the Task Force or chairman, in consultation with the ranking Republican member, and shall specify a date for filing an answer with the chief clerk. Written interrogatories and requests for admissions shall be answered under oath.

Rule 8. Procedures for Handling of Classified or Sensitive Materials

8.1 Staff offices shall operate under strict security precautions. The chairman may request the Clerk and Sergeant at Arms to provide assistance necessary to insure strict security. Sensitive or classified documents and material shall be segregated and stored in an appropriately secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the offices of such documents and other materials are prohibited except as is necessary for authorized use in, or preparation for, interviews, depositions, or meetings or hearings.

8.2 The Task Force may direct that particular matters or classes of matter shall not be made available to any person by its members, staff, or others, or may impose any other restriction. Classified information or classified material possessed or controlled by the Task Force, or information deemed sensitive by the Task Force, shall not be made available to any person by its members or staff or anyone who has access to the material except by vote of the Task Force, which shall require a vote of the majority of the members of the Task Force.

8.3 Each member of the Task Force shall at all times have access to all papers and other materials received from any source. The chief counsel, as designated by the chairman, shall be responsible for the control, under appropriate security procedures, of all classified papers and other classified materials in the possession of the Task Force, and for the maintenance, under such procedures, of a registry which will number and identify all such classified materials. Such registry shall be available to any member of the Task Force.

8.4 Access by staff to classified information shall be limited on a need-to-know basis, pursuant to instructions of the chairman, acting in consultation with the ranking Republican member, either on a case-by-case basis or by general instructions to the chief counsel and chief minority counsel. All staff with such access shall be required to have appropriate security clearance. The chief counsel shall maintain a list, available to chief minority counsel, of those

staff who may attend executive sessions and have access to classified materials.

8.5 The chairman, in consultation with the ranking Republican member, may limit staff attendance at certain executive sessions, and staff access to certain categories of classified materials, which involve matters of particularly high sensitivity.

8.6 Members who are not members of the Task Force shall be granted access to such hearings, records, data, charts and files of the Task Force and shall be admitted on a nonparticipatory basis to hearings of the Task Force, as the chairman deems appropriate, which involve classified material, apart from material otherwise restricted by the Task Force, on the basis of the following provisions:

(1) Members who desire to examine materials in the possession of the Task Force or to attend Task Force hearings on a nonparticipatory basis should notify the clerk of the Task Force in Writing.

(2) Each such request by a member must be considered by the Task Force, a quorum for the reporting of matter being present, at the earliest practicable opportunity. The Task Force must determine by record vote whatever action it deems necessary in light of all the circumstances of each individual request. The Task Force shall take into account in its deliberations, such considerations as the sensitivity of the information sought to the national defense or the confidential conduct of the foreign relations of the United States, the likelihood of its being directly or indirectly disclosed, the jurisdictional interest of the member making the request and such other concerns—constitutional or otherwise—as affect the public interest of the United States. Such actions as the Task Force may take include, but are not limited to: (i) approving the request, in whole or part; (ii) denying the request; (iii) providing in different form than requested information or material which is the subject of the request.

(3) In matters touching on such requests, the Task Force may, in its discretion, consult the Director of Central Intelligence and such other officials as it may deem necessary.

(4) In the event that the member making the request in question does not accede to the determination or any part thereof of the Task Force as regards the request, that member should notify the Task Force in writing of the grounds for such disagreement. The Task Force shall subsequently consider the matter and decide, by record vote, what further action or recommendation, if any, it will take.

(5) Members examining material pursuant to this rule are prohibited to disclose the material further, and every member shall be furnished a copy of this rule prior to examining such material.

8.7 Other than as provided for in rule 8.8 and 6.10, no member of the Task Force or its staff shall disclose, in whole or in part or by way of summary, to any person, governmental agency or official, outside the Task Force and its staff, for any purpose or in connection with any proceeding, judicial or otherwise, any testimony taken, including the identity of witnesses who have testified or will testify, or material presented or discussions had, in depositions or at meetings and hearings held in executive session, or other materials or information designated as sensitive by the chairman, unless otherwise authorized by Task Force or the chairman. All members of the Task Force and its staff shall agree in writing to abide by the conditions of a non-disclosure oath promulgated by the Task Force consistent with that used by the House Permanent Select Committee on Intelligence.

8.8 The chairman and ranking Republican member shall be authorized to insure that the Speaker and Republican Leader are fully informed regarding the investigation, any other provisions of these rules notwithstanding.

Rule 9. Staff, Detailees, and Consultants

9.1 The chairman, upon consultation with the ranking Republican member, may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators and clerical and stenographic assistants as are considered necessary to carry out the purposes of the Resolution. In addition, the chairman, upon consultation with the ranking Republican member, may designate various staff of the Congress, at the written recommendation of members of the Task Force, as associate staff to the Task Force. Upon termination of employment by the Task Force, each member of the staff, or consultant, shall surrender all classified and other material relating to the work of the Task Force which came into his possession while in the employ of the Task Force.

9.2 In the event of an unauthorized release of information or other violation, the chairman or the Task Force may refer the matter to the House Committee on Standards of Official Conduct. Nothing in these rules shall be construed to abridge the right of a Member to make or transmit a complaint to the Committee on the Standards of Official Conduct, or shall be construed to expand the authority of that committee, over matters related to the conduct of this Task Force's investigation pursuant to House Resolution 258, beyond what that resolution provides. The employment of any member of the staff or consultant who fails to conform to any of these Rules may be immediately terminated by the chairman upon consultation with the ranking Republican member.

9.3 The chairman, upon consultation with the ranking Republican member, shall have the authority to utilize the services, information, facilities, and personnel of the departments and agencies of the government. Requests by the chairman may specify by name, or describe otherwise, the personnel to be detailed.

9.4 For purposes of these Rules, Task Force staff shall include all employees hired pursuant to rule 9.1, all associate staff designated pursuant to Rule 9.1, and all staff of the Speaker, Majority Leader and the Republican Leader who are appropriately cleared and designated in writing.

9.5 The chairman, upon consultation with the ranking Republican member, shall have the authority to procure the temporary or intermittent services of experts or consultants or organizations thereof to make studies or assist or advise the Task Force with respect to any matter under investigation. Government personnel detailed to the Task Force, and consultants, shall be deemed staff of

the Task Force to the extent necessary for the purposes of their designated association, detail, or consultancy, including the purposes of interrogation of witnesses and security of information under Rules 5, 6, 7, 8 and 9 hereof.

9.6 The chairman, upon consultation with the ranking Republican member, may establish such additional personnel, physical, communications, and document security procedures, not inconsistent with these rules, as he deems necessary to safeguard classified information or materials possessed or controlled by the Task Force.

PART 3—SELECTED RULES OF THE HOUSE OF REPRESENTATIVES

Following are selected Rules of the House of Representatives which are also a part of the Task Force rules and which affect its organization, administration, and operation. The Rules cited are not exclusive of other Rules of the House of Representatives applicable to the Task Force.

Rule X. Establishment and Jurisdiction of Standing Committees

The Committees and Their Jurisdiction

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned to it by this clause and clauses 2, 3, and 4; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of any standing committee as listed in this clause shall (in accordance with and subject to clause 5) be referred to such committees, as follows:

(a) Committee on Agriculture.

(1) Adulteration of seeds, insect pests, and protection of birds and animals in forest reserves.
(2) Agriculture generally.
(3) Agricultural and industrial chemistry.
(4) Agricultural colleges and experiment stations.
(5) Agricultural economics and research.
(6) Agricultural education extension services.
(7) Agricultural production and marketing and stabilization of prices of agricultural products, and commodities (not including distribution outside of the United States).
(8) Animal industry and diseases of animals.
(9) Crop insurance and soil conservation.
(10) Dairy industry.
(11) Entomology and plant quarantine.
(12) Extension of farm credit and farm security.
(13) Forestry in general, and forest reserves other than those created from the public domain.
(14) Human nutrition and home economics.
(15) Inspection of livestock and meat products.
(16) Plant industry, soils, and agricultural engineering.
(17) Rural electrification.
(18) Commodities exchanges.
(19) Rural development.

(b) Committee on Appropriations.

(1) Appropriation of the revenue for the support of the Government.

(2) Rescissions of appropriations contained in appropriation Acts.

(3) Transfers of unexpended balances.

(4) The amount of new spending authority (as described in the Congressional Budget Act of 1974) which is to be effective for a fiscal year, including bills and resolutions (reported by other committees) which provide new spending authority and are referred to the committee under clause 4(a).

The committee shall include separate headings for "Rescissions" and "Transfers of Unexpended Balances" in any bill or resolution as reported from the committee under its jurisdiction specified in subparagraph (2) or (3), with all proposed rescissions and proposed transfers listed therein; and shall include a separate section with respect to such rescissions or transfers in the accompanying committee report. In addition to its jurisdiction under the preceding provisions of this paragraph, the committee shall have the fiscal oversight function provided for in clause 2(b)(3) and the budget hearing function provided for in clause 4(a).

(c) Committee on Armed Services.

(1) Common defense generally.

(2) The Department of Defense generally, including the Departments of the Army, Navy, and Air Force generally.

(3) Ammunition depots; forts; arsenals; Army, Navy, and Air Force reservations and establishments.

(4) Conservation, development, and use of naval petroleum and oil shale reserves.

(5) Pay, promotion, retirement, and other benefits and privileges of members of the armed forces.

(6) Scientific research and development in support of the armed services.

(7) Selective service.

(8) Size and composition of the Army, Navy, and Air Force.

(9) Soldiers' and sailors' homes.

(10) Strategic and critical materials necessary for the common defense.

(11) Military applications of nuclear energy.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight function provided for in clause 3(a) with respect to international arms control and disarmament, and military dependents education.

(d) Committee on Banking, Finance and Urban Affairs.

(1) Banks and banking, including deposit insurance and Federal monetary policy.

(2) Money and credit, including currency and the issuance of notes and redemption thereof; gold and silver, including the coinage thereof; valuation and revaluation of the dollar.

(3) Urban development.

(4) Public and private housing.

(5) Economic stabilization, defense production, renegotiation, and control of the price of commodities, rents, and services.

(6) International finance.

(7) Financial aid to commerce and industry (other than transportation).

(8) International Financial and Monetary organizations.

(e)(1) Committee on the Budget, consisting of the following Members:

(A) Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

(B) one Member from the leadership of the majority party; and

(C) one Member from the leadership of the minority party.

No Member other than the representative from the leadership of the majority party and the representative from the leadership of the minority party, shall serve as a member of the Committee on the Budget during more than three Congresses in any period of five successive Congresses (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress), except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to the committee as chairman for one additional Congress. Previous service on the Committee before the One Hundred Second Congress shall be disregarded, for the purposes of this prohibition during the One Hundred Second Congress, for the ranking minority member of the Committee (who is not the Member designated as the Member from the leadership of the minority party). A minority Member having served on the committee for three Congresses and having served as the ranking minority member in the last such Congress shall be eligible for reelection to the committee as ranking minority Member for one additional Congress. All selections of Members to serve on the committee shall be made without regard to seniority.

(2) All concurrent resolutions on the budget (as defined in section 3 of the Congressional Budget Act of 1974) and other matters required to be referred to the committee under titles III and IV of that Act.

(3) The committee shall have the duty—

(A) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;

(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the House on a recurring basis;

(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the House on a recurring basis; and

(D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.

(f) Committee on the District of Columbia.

(1) All measures relating to the municipal affairs of the District of Columbia in general, other than appropriations therefor, including—

(2) Adulteration of foods and drugs.

(3) Incorporation and organization of societies.
(4) Insurance, executors, administrators, wills, and divorce.
(5) Municipal code and amendments to the criminal and corporation laws.
(6) Municipal and juvenile courts.
(7) Public health and safety, sanitation, and quarantine regulations.
(8) Regulation of sale of intoxicating liquors.
(9) Taxes and tax sales.
(10) St. Elizabeths hospital.

(g) Committee on Education and Labor.

(1) Measures relating to education or labor generally.
(2) Child labor.
(3) Columbia Institution for the Deaf, Dumb, and Blind; Howard University; Freedmen's Hospital.
(4) Convict labor and the entry of goods made by convicts into interstate commerce.
(5) Labor standards.
(6) Labor statistics.
(7) Mediation and arbitration of labor disputes.
(8) Regulation or prevention of importation of foreign laborers under contract.
(9) Food programs for children in schools
(10) United States Employees' Compensation Commission.
(11) Vocational rehabilitation.
(12) Wages and hours of labor.
(43) Welfare of miners.
(14) Work incentive programs.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight function provided for in clause 3(c) with respect to domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(h) Committee on Energy and Commerce.

(1) Interstate and foreign commerce generally
(2) National energy policy generally
(3) Measures relating to the exploration, production, storage, supply, marketing, pricing, and regulation of energy resources, including all fossil fuels, solar energy, and other unconventional or renewable energy resources.
(4) Measures relating to the conservation of energy resources
(5) Measures relating to the commercial application of energy technology.
(6) Measures relating to energy information generally.
(7) Measures relating to (A) the generation and marketing of power (except by federally chartered or Federal regional power marketing authorities), (B) the reliability and interstate transmission of, and ratemaking for, all power, and (C) the siting of generation facilities; except the installation of interconnections between Government waterpower projects.
(8) Interstate energy compacts.

(9) Measures relating to general management of the Department of Energy, and the management and all functions of the Federal Energy Regulatory Commission.
(10) Inland waterways.
(11) Railroads, including railroad labor, railroad retirement and unemployment, except revenue measures related thereto.
(12) Regulation of interstate and foreign communications.
(13) Securities and exchanges.
(14) Consumer affairs and consumer protection
(15) Travel and tourism.
(16) Public health and quarantine.
(17) Health and health facilities, except health care supported by payroll deductions.
(18) Biomedical research and development.

Such committee shall have the same jurisdiction with respect to regulation of nuclear facilities and of use of nuclear energy as it has with respect to regulation of nonnuclear facilities and of use of nonnuclear energy. In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight functions under clause 2(b)(1)), such committee shall have the special oversight functions provided for in clause 3(h) with respect to all laws, programs, and Government activities affecting nuclear and other energy.

(i) Committee on Foreign Affairs.

(1) Relations of the United States with foreign nations generally.
(2) Acquisition of land and buildings for embassies and legations in foreign countries.
(3) Establishment of boundary lines between the United States and foreign nations.
(4) Foreign loans.
(5) International conferences and congresses.
(6) Intervention abroad and declarations of war.
(7) Measures relating to the diplomatic service.
(8) Measures to foster commercial intercourse with foreign nations and to safeguard American business interests abroad.
(9) Neutrality.
(10) Protection of American citizens abroad and expatriation.
(11) The American National Red Cross.
(12) United Nations Organizations.
(13) Measures relating to international economic policy.
(14) Export controls, including nonproliferation of nuclear technology and nuclear hardware.
(15) International commodity agreements (other than those involving sugar), including all agreements for cooperation in the export of nuclear technology and nuclear hardware.
(16) Trading with the enemy.
(17) International education.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight functions provided for in clause 3(d) with respect to customs administration, intelligence activities relating to foreign policy, international financial and monetary organizations, and international fishing agreements.

(j) Committee on Government Operations.

(1) Budget and accounting measures, other than appropriations.

(2) The overall economy and efficiency of Government operations and activities, including Federal procurement.

(3) Reorganizations in the executive branch of the Government.

(4) Intergovernmental relationships between the United States and the States and municipalities, and general revenue sharing.

(5) National archives.

(6) Measures providing for off-budget treatment of Federal agencies or programs

(7) Measures providing exemption from reduction under any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its oversight functions under clause 2(b)(1) and (2)), the committee shall have the function of performing the activities and conducting the studies which are provided for in clause 4(c).

(k) Committee on House Administration.

(1) Appropriations from the contingent fund

(2) Auditing and settling of all accounts which may be charged to the contingent fund.

(3) Employment of persons by the House, including clerks for Members and committees, and reporters of debates.

(4) Except as provided in clause 1(p)(4), matters relating to the Library of Congress and the House Library; statuary and pictures; acceptance or purchase of works of art for the Capitol; the Botanic Gardens; management of the Library of Congress, purchase of books and manuscripts; erection of monuments to the memory of individuals.

(5) Except as provided in clause 1(p)(4), matters relating to the Smithsonian Institution and the incorporation of similar institutions.

(6) Expenditure of contingent fund of the House

(7) Matters relating to printing and correction of the Congressional Record.

(8) Measures relating to accounts of the House generally.

(9) Measures relating to assignment of office space for Members and committees.

(10) Measures relating to the disposition of useless executive papers.

(11) Measures relating to the election of the President, Vice President, or Members of Congress; corrupt practices; contested elections; credentials and qualifications; and Federal elections generally.

(12) Measures relating to services to the House, including the House Restaurant, parking facilities and administration of the House Office Buildings and of the House wing of the Capitol.

(13) Measures relating to the travel of Members of the House.

(14) Measures relating to the raising, reporting and use of campaign contributions for candidates for office of Representative in the House of Representatives and of Resident Commissioner to the United States from Puerto Rico.

(15) Measures relating to the compensation, retirement and other benefits of the Members, officers, and employees of the Congress.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the function of performing the duties which are provided for in clause 4(d).

(l) Committee on Interior and Insular Affairs.

(1) Forest reserves and national parks created from the public domain.

(2) Forfeiture of land grants and alien ownership, including alien ownership of mineral lands.

(3) Geological Survey.

(4) Interstate compacts relating to apportionment of waters for irrigation purposes.

(5) Irrigation and reclamation, including water supply for reclamation projects, and easements of public lands for irrigation projects, and acquisition of private lands when necessary to complete irrigation projects.

(6) Measures relating to the care and management of Indians, including the care and allotment of Indian lands and general and special measures relating to claims which are paid out of Indian funds.

(7) Measures relating generally to the insular possessions of the United States, except those affecting the revenue and appropriations.

(8) Military parks and battlefields; national cemeteries administered by the Secretary of the Interior, and parks within the District of Columbia.

(9) Mineral land laws and claims and entries thereunder.

(10) Mineral resources of the public lands.

(11) Mining interests generally.

(12) Mining schools and experimental stations.

(13) Petroleum conservation on the public lands and conservation of the radium supply in the United States.

(14) Preservation of prehistoric ruins and objects of interest on the public domain.

(15) Public lands generally, including entry, easements, and grazing thereon.

(16) Relations of the United States with the Indians and the Indian tribes.

(17) Regulation of the domestic nuclear energy industry, including regulation of research and development reactors and nuclear regulatory research.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight functions provided for in clause 3(e) with respect to all programs affecting Indians and nonmilitary nuclear energy and research and development including the disposal of nuclear waste.

(m) Committee on the Judiciary.

(1) Judicial proceedings, civil and criminal generally.

(2) Apportionment of Representatives.

(3) Bankruptcy, mutiny, espionage, and counterfeiting.

(4) Civil liberties.

(5) Constitutional amendments.
(6) Federal courts and judges.
(7) Immigration and naturalization.
(8) Interstate compacts generally.
(9) Local courts in the Territories and possessions.
(10) Measures relating to claims against the United States.
(11) Meetings of Congress, attendance of Members and their acceptance of incompatible offices.
(12) National penitentiaries.
(13) Patent Office.
(14) Patents, copyrights, and trademarks
(15) Presidential succession.
(16) Protection of trade and commerce against unlawful restraints and monopolies.
(17) Revision and codification of the Statutes of the United States.
(18) State and territorial boundary lines.
(19) Communist and other subversive activities affecting the internal security of the United States.

(n) Committee on Merchant Marine and Fisheries.

(1) Merchant marine generally.
(2) Oceanography and Marine Affairs, including coastal zone management.
(3) Coast Guard, including lifesaving service, lighthouses, lightships, and ocean derelicts.
(4) Fisheries and wildlife, including research, restoration, refuges, and conservation.
(5) Measures relating to the regulation of common carriers by water (except matters subject to the jurisdiction of the Interstate Commerce Commission) and to the inspection of merchant marine vessels, lights and signals, lifesaving equipment, and fire protection on such vessels.
(6) Merchant marine officers and seamen.
(7) Navigation and the laws relating thereto, including pilotage.
(8) Panama Canal and the maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone; and interoceanic canals generally.
(9) Registering and licensing of vessels and small boats.
(10) Rules and international arrangements to prevent collisions at sea.
(11) United States Coast Guard and Merchant Marine Academies, and State Maritime Academies.
(12) International fishing agreements.

(o) Committee on Post Office and Civil Service.

(1) Census and the collection of statistics generally
(2) All Federal Civil Service, including intergovernmental personnel.
(3) Postal-savings banks.
(4) Postal service generally, including the railway mail service, and measures relating to ocean mail and pneumatic-tube service; but excluding post roads.
(5) Status of officers and employees of the United States, including their compensation, classification, and retirement
(6) Hatch Act.
(7) Holidays and celebrations.
(8) Population and demography.

(p) Committee on Public Works and Transportation.

(1) Flood control and improvement of rivers and harbors.
(2) Measures relating to the Capitol Building and the Senate and House Office Buildings.
(3) Measures relating to the construction or maintenance of roads and post roads, other than appropriations therefor; but it shall not be in order for any bill providing general legislation in relation to roads to contain any provision for any specific road, nor for any bill in relation to a specific road to embrace a provision in relation to any other specific road.
(4) Measures relating to the construction or reconstruction, maintenance, and care of the buildings and grounds of the Botanic Gardens, the Library of Congress, and the Smithsonian Institution.
(5) Measures relating to the purchase of sites and construction of post offices, customhouses, Federal courthouses, and Government buildings within the District of Columbia.
(6) Oil and other pollution of navigable waters.
(7) Public buildings and occupied or improved grounds of the United States generally.
(8) Public works for the benefit of navigation, including bridges and dams (other than international bridges and dams)
(9) Water power
(10) Transportation, including civil aviation except railroads, railroad labor and pensions.
(11) Roads and the safety thereof.
(12) Water transportation subject to the jurisdiction of the Interstate Commerce Commission.
(13) Related transportation regulatory agencies, except (A) the Interstate Commerce Commission as it relates to railroads; (B) Federal Railroad Administration; and (C) Amtrak.

(q) Committee on Rules.

(1) The rules and joint rules (other than rules or joint rules relating to the Code of Official Conduct), and order of business of the House.
(2) Recesses and final adjournments of Congress.
(3) The Committee on Rules is authorized to sit and act whether or not the House is in session.

(r) Committee on Science, Space, and Technology.

(1) Astronautical research and development, including resources, personnel, equipment, and facilities.
(2) Bureau of Standards, standardization of weights and measures and the metric system.
(3) National Aeronautics and Space Administration
(4) National Aeronautics and Space Council
(5) National Science Foundation.
(6) Outer space, including exploration and control thereof.
(7) Science Scholarships.
(8) Scientific research, development, and demonstration, and projects therefor, and all federally owned or operated nonmilitary energy laboratories.
(9) Civil aviation research and development.
(10) Environmental research and development.

(11) All energy research, development, and demonstration, and projects therefor, and all federally owned or operated nonmilitary energy laboratories.

(12) National Weather Service.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the special oversight function provided for in clause 3(f) with respect to all nonmilitary research and development.

(s) Committee on Small Business.

(1) Assistance to and protection of small business, including financial aid.

(2) Participation of small-business enterprises in Federal procurement and Government contracts.

In addition to its legislative jurisdiction under the preceding provisions of this paragraph and (its general oversight function under clause 2(b)(1)), the committee shall have the special oversight function provided for in clause 3(g) with respect to the problems of small business.

(t) Committee on Standards of Official Conduct.

(1) Measures relating to the Code of Official Conduct.

In addition to its legislative jurisdiction under the preceding provision of this paragraph (and its general oversight function under clause 2(b)(1)), the committee shall have the functions with respect to recommendations, studies, investigations, and reports which are provided for in clause 4(e), and the functions designated in titles I and V of the Ethics in Government Act of 1978 and sections 7342, 7351, and 7353 of title 5, United States Code.

(u) Committee on Veterans' Affairs.

(1) Veterans' measures generally.

(2) Cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior.

(3) Compensation, vocational rehabilitation, and education of veterans.

(4) Life insurance issued by the Government on account of service in the Armed Forces.

(5) Pensions of all the wars of the United States, general and special.

(6) Readjustment of servicemen to civil life.

(7) Soldiers' and sailors' civil relief.

(8) Veterans' hospitals, medical care, and treatment of veterans.

(v) Committee on Ways and Means.

(1) Customs, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to the insular possessions.

(5) The bonded debt of the United States (subject to the last sentence of clause 4(g) of this rule).

(6) The deposit of public moneys.

(7) Transportation of dutiable goods.

(8) Tax exempt foundations and charitable trusts.

(9) National social security, except (A) health care and facilities programs that are supported from general revenues as opposed to payroll deductions and (B) work incentive programs.

General Oversight Responsibilities

2. (a) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate,

the various standing committees shall have oversight responsibilities as provided in paragraph (b).

(b)(1) Each standing committee (other than the Committee on Appropriations and the Committee on the Budget) shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that committee. Each such committee having more than twenty members shall establish an oversight subcommittee, or require its subcommittees, if any, to conduct oversight in the area of their respective jurisdiction, to assist in carrying out its responsibilities under this subparagraph. The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

(2) The Committee on Government Operations shall review and study, on a continuing basis, the operation of Government activities at all levels with a view to determining their economy and efficiency.

(3) The Committee on Appropriations shall conduct such studies and examinations of the organization and operation of executive departments and other executive agencies (including any agency the majority of the stock of which is owned by the Government of the United States) as it may deem necessary to assist it in the determination of matters within its jurisdiction.

(c) Each standing committee of the House shall have the function of reviewing and studying on a continuing basis the impact or prob-

able impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

Special Oversight Functions

3. (a) The Committee on Armed Services shall have the function of reviewing and studying, on a continuing basis, all laws, programs, and Government activities dealing with or involving international arms control and disarmament and the education of military dependents in schools.

(b) The Committee on the Budget shall have the function of—

(1) making continuing studies of the effect on budget outlays of relevant existing and proposed legislation, and reporting the results of such studies to the House on a recurring basis; and

(2) requesting and evaluating continuing studies of tax expenditures, devising methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and reporting the results of such studies to the House on a recurring basis.

(c) The Committee on Education and Labor shall have the function of reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(d) The Committee on Foreign Affairs shall have the function of reviewing and studying, on a continuing basis, all laws, programs, and Government activities dealing with or involving customs administration, intelligence activities relating to foreign policy, international financial and monetary organizations, and international fishing agreements.

(e) The Committee on Interior and Insular Affairs shall have the function of reviewing and studying, on a continuing basis, all laws, programs, and Government activities dealing with Indians and nonmilitary nuclear energy and research and development including the disposal of nuclear waste.

(f) The Committee on Science, Space, and Technology shall have the function of reviewing and studying, on a continuing basis, all laws, programs, and Government activities dealing with or involving nonmilitary research and development.

(g) The Committee on Small Business shall have the function of studying and investigating, on a continuing basis, the problems of all types of small business.

(h) The Committee on Energy and Commerce shall have the function of reviewing and studying on a continuing basis, all laws, programs and Government activities relating to nuclear and other energy.

(i) The Committee on Rules shall have the function of reviewing and studying, on a continuing basis, the congressional budget process, and the committee shall, from time to time, report its findings and recommendations to the House.

Additional Functions of Committees

1. (a)(1)(A) The Committee on Appropriations shall, within 30 days after the transmittal of the Budget to the Congress each year, hold hearings on the Budget as a whole with particular reference to—

(i) the basic recommendations and budgetary policies of the President in the presentation of the Budget; and

(ii) the fiscal, financial, and economic assumptions used as bases in arriving at total estimated expenditures and receipts.

(B) In holding hearings pursuant to subdivision (A), the committee shall receive testimony from the Secretary of the Treasury, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and such other persons as the committee may desire.

(C) Hearings pursuant to subdivision (A), or any part thereof, shall be held in open session, except when the committee, in open session and with a quorum present, determines by roll call vote that the testimony to be taken at that hearing on that day may be related to a matter of national security: *Provided, however,* That the committee may by the same procedure close one subsequent day of hearing. A transcript of all such hearings shall be printed and a copy thereof furnished to each Member, Delegate, and the Resident Commissioner from Puerto Rico.

(D) Hearings pursuant to subdivision (A), or any part thereof, may be held before joint meetings of the committee and the Committee on Appropriations of the Senate in accordance with such procedures as the two committees jointly may determine.

(2) Whenever any bill or resolution which provides new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 is reported by a committee of the House and the amount of new budget authority which will be required for the fiscal year involved if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported as described in clause 4(h) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations with instructions to report it, with the committee's recommendations and (if the committee deems it desirable) with an amendment limiting the total amount of new spending authority provided in the bill or resolution, within 15 calendar days (not counting any day on which the House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations fails to report the bill or resolution within such 15-day period, the committee shall be automatically discharged from further consideration of the bill or resolution and the bill or resolution shall be placed on the appropriate calendar.

(3) In addition, the Committee on Appropriations shall study on a continuing basis those provisions of law which (on the first day of the first fiscal year for which the congressional budget process is effective) provide spending authority of permanent budget authority, and shall report to the House from time to time its recommendations for terminating or modifying such provisions.

(b) The Committee on the Budget shall have the duty

(1) to review on a continuing basis the conduct by the Congressional Budget Office of its functions and duties;

(2) to hold hearings, and receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as it deems desirable, in developing the concurrent resolutions on the budget for each fiscal year;

(3) to make all reports required of it by the Congressional Budget Act of 1974, including the reporting of reconciliation bills and resolutions when so required;

(4) to study on a continuing basis those provisions of law which exempt Federal agencies or any of their activities or outlays from inclusion in the Budget of the United States Government, and to report to the House from time to time its recommendations for terminating or modifying such provisions; and

(5) to study on a continuing basis proposals designed to improve and facilitate methods of congressional budget-making, and to report to the House from time to time the results of such study together with its recommendations.

(c)(1) The Committee on Government Operations shall have the general function of—

(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the House as it deems necessary or desirable in connection with the subject matter of such reports;

(B) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(C) studying intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member.

(2) In addition to its duties under subparagraph (1), the Committee on Government Operations may at any time conduct investigations of any matter without regard to the provisions of clause 1, 2, or 3 (or this clause) conferring jurisdiction over such matter upon another standing committee. The committee's findings and recommendations in any such investigation shall be made available to the other standing committee or committees having jurisdiction over the matter involved (and included in the report of any such other committee when required by clause 2(l)(3) of Rule XI).

(d) The Committee on House Administration shall have the function of—

(1) examining all bills, amendments, and joint resolutions after passage by the House and, in cooperation with the Senate, examining all bills and joint resolutions which shall have passed both Houses to see that they are correctly enrolled, forthwith presenting those which originated in the House to the President of the United States in person after their signature by the Speaker of the House and the President of the Senate and reporting the fact and date of such presentation to the House;

(2) reporting to the Sergeant-at-Arms of the House concerning the travel of Members of the House; and

(3) providing, through the House Information Systems, a scheduling service which shall be used by all the committees and subcommittees of the House to eliminate, insofar as possible, any meeting and scheduling conflicts.

(e)(1) The Committee on Standards of Official Conduct is authorized: (A) to recommend to the House from time to time such administrative actions as it may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House, and any letter of reproval or other administrative action of the committee pursuant to an investigation under subdivision (B) shall only be issued or implemented as a part of a report required by such subdivision; (B) to investigate, subject to subparagraph (2) of this paragraph, any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities, and after notice and hearing (unless the right to a hearing is waived by the Member, officer, or employee), shall report to the House its findings of fact and recommendations, if any, upon the final disposition of any such investigation, and such action as the committee may deem appropriate in the circumstances; (C) to report to the appropriate Federal or State authorities, with the approval of the House, any substantial evidence of a violation, by a Member, officer, or employee of the House, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation; (D) to give consideration to the request of any Member, officer, or employee of the House for an advisory opinion with respect to the general propriety of any current or proposed conduct of such Member, officer, or employee and, with appropriate deletions to assure the privacy of the individual concerned, to publish such opinion for the guidance of other Members, officers, and employees of the House; and (E) to give consideration to the request of any Member, officer, or employee of the House for a written waiver in exceptional circumstances with respect to clause 4 of rule XLIII.

(2)(A) No resolution, report, recommendation, or advisory opinion relating to the official conduct of a Member, officer, or employee of the House shall be made by the Committee on Standards of Official Conduct, and no investigation of such conduct shall be undertaken by such committee, unless approved by the affirmative vote of a majority of the members of the committee.

(B) Except in the case of an investigation undertaken by the committee on its own initiative, the committee may undertake an investigation relating to the official conduct of an individual Member, officer, or employee of the House of Representatives only—

(i) upon receipt of a complaint, in writing and under oath, made by or submitted to a Member of the House and transmitted to the committee by such Member, or

(ii) upon receipt of a complaint, in writing and under oath, directly from an individual not a Member of the House if the committee finds that such complaint has been submitted by such individual to not less than three Members of the House

who have refused, in writing, to transmit such complaint to the committee.

(C) No investigation shall be undertaken by the committee of any alleged violation of a law, rule, regulation, or standard of conduct not in effect at the time of the alleged violation; nor shall any investigation be undertaken by the committee of any alleged violation which occurred before the third previous Congress unless the committee determines that the alleged violation is directly related to any alleged violation which occurred in a more recent Congress.

(D) A member of the committee shall be ineligible to participate, as a member of the committee, in any committee proceeding relating to his or her official conduct. In any case in which a member of the committee is ineligible to act as a member of the committee under the preceding sentence, the Speaker of the House shall designate a Member of the House from the same political party as the ineligible member of the committee to act as a member of the committee in any committee proceeding relating to the official conduct of such ineligible member.

(E) A member of the committee may disqualify himself from participating in any investigation of the conduct of a Member, officer, or employee of the House upon the submission in writing and under oath of an affidavit of disqualification stating that he cannot render an impartial and unbiased decision in the case in which he seeks to disqualify himself. If the committee approves and accepts such affidavit of disqualification, the chairman shall so notify the Speaker and request the Speaker to designate a Member of the House from the same political party as the disqualifying member of the committee to act as a member of the committee in any committee proceeding relating to such investigation.

(F) No information or testimony received, or the contents of a complaint or the fact of its filing, shall be publicly disclosed by any committee or staff member unless specifically authorized in each instance by a vote of the full committee.

(f)(1) Each standing committee of the House shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(c) of Rule XIII.

(2) Each standing committee of the House shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(g) Each standing committee of the House shall, on or before February 25 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year. The views and estimates submitted by the Committee on Ways and Means under the preceding sentence shall include a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt which should be set forth in the concurrent resolution on the budget referred to in such sentence and serve as the basis for an increase or decrease in the statutory limit on such debt under the procedures provided by rule XLIX.

(h) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, each standing committee of the House (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 or section 602 (in the case of fiscal years 1991 through 1995) of the Congressional Budget Act of 1974.

(i) Each standing committee of the House which is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

Referral of Bills, Resolutions, and Other Matters to Committees

5. (a) Each bill, resolution, or other matter which relates to a subject listed under any standing committee named in clause 1 shall be referred by the Speaker in accordance with the provisions of this clause.

(b) Every referral of any matter under paragraph (a) shall be made in such manner as to assure to the maximum extent feasible that each committee which has jurisdiction under clause 1 over the subject matter of any provision thereof will have responsibility for considering such provision and reporting to the House with respect thereto. Any precedents, rulings, and procedures in effect prior to the Ninety-Fourth Congress shall be applied with respect to referrals under this clause only to the extent that they will contribute to the achievement of the objectives of this clause.

(c) In carrying out paragraphs (a) and (b) with respect to any matter, the Speaker may refer the matter simultaneously to two or more committees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any committee), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different committee, or refer the matter to a special ad hoc committee appointed by the Speaker with the approval of the House (from the members of the committees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the House thereon, or make such other provision as may be considered appropriate.

Election and Membership of Committees; Chairman; Vacancies; Select and Conference Committees

6. (a)(1) The standing committees specified in clause 1 shall be elected by the House within the seventh calendar day beginning after the commencement of each Congress, from nominations submitted by the respective party caucuses. It shall always be in order to consider resolutions recommended by the respective party caucuses to change the composition of standing committees.

(2) One-half of the members of the Committee on Standards of Official Conduct shall be from the majority party and one-half shall be from the minority party. No Member shall serve as a member of the Committee on Standards of Official Conduct during more than 3 Congresses in any period of 5 successive Congresses (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress).

(b) Membership on standing committees during the course of a Congress shall be contingent on continuing membership in the party caucus or conference that nominated Members for election to such committees. Should a Member cease to be a member of a particular party caucus or conference, said Member shall automatically cease to be a member of a standing committee to which he was elected on the basis of nomination by that caucus or conference. The chairman of the relevant party caucus or conference shall notify the Speaker whenever a Member ceases to be a member of a party caucus or conference and the Speaker shall notify the chairman of each standing committee on which said Member serves, that in accord with this rule, the Member's election to such committee is automatically vacated.

(c) One of the members of each standing committee shall be elected by the House, from nominations submitted by the majority party caucus, at the commencement of each Congress, as chairman thereof. In the temporary absence of the chairman, the member next in rank in the order named in the election of the committee, and so on, as often as the case shall happen, shall act as chairman; and in case of a permanent vacancy in the chairmanship of any such committee the House shall elect another chairman.

(d) Each standing committee of the House of Representatives, except the Committee on the Budget, that has more than twenty members shall establish at least four subcommittees.

(e) All vacancies in standing committees shall be filled by election by the House from nominations, submitted by the respective party caucus or conference.

(f) The Speaker shall appoint all select and conference committees which shall be ordered by the House from time to time. In appointing members to conference committees the Speaker shall appoint no less than a majority of members who generally supported the House position as determined by the Speaker. The Speaker shall name Members who are primarily responsible for the legislation and shall, to the fullest extent feasible, include the principal proponents of the major provisions of the bill as it passed the House.

(g) Membership on select and joint committees during the course of a Congress shall be contingent on continuing membership in the party caucus or conference the Member was a member of at the time of his appointment to a select or joint committee. Should a Member cease to be a member of that caucus or conference, said Member shall automatically cease to be a member of any select or joint committee to which he is assigned. The chairman of the relevant party caucus or conference shall notify the Speaker whenever a Member ceases to be a member of a party caucus or conference and the Speaker shall notify the chairman of each select or joint committee on which said Member serves, that in accord with this rule, the Member's appointment to such committee is automatically vacated.

(h) The Speaker may appoint the Resident Commissioner from Puerto Rico and Delegates to the House to any select committee and to any conference committee that is considering legislation reported from a committee on which they serve.

(i) There shall be in the House the permanent Select Committee on Aging, which shall not have legislative jurisdiction but which shall have jurisdiction—

(1) to conduct a continuing comprehensive study and review of the problems of the older American, including but not limited to income maintenance, housing, health (including medical research), welfare, employment, education, recreation, and participation in family and community life as self-respecting citizens;

(2) to study the use of all practicable means and methods of encouraging the development of public and private programs and policies which will assist the older American in taking a full part in national life and which will encourage the utilization of the knowledge, skills, special aptitudes, and abilities of older Americans to contribute to a better quality of life for all Americans;

(3) to develop policies that would encourage the coordination of both governmental and private programs designed to deal with problems of aging; and

(4) to review any recommendations made by the President or by the White House Conference on Aging relating to programs or policies affecting older Americans.

Rule XI. Rules of Procedure for Committees

In General

1. (a)(1) The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable motions of high privilege in committees and subcommittees.

(2) Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules so far as applicable.

(b) Each committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X, and (subject

to the adoption of expense resolutions as required by clause 5) to incur expenses (including travel expenses) in connection therewith.

(e) Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of a committee shall be paid from the contingent fund of the House.

(d) Each committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and Rule X during the Congress ending at noon on January 3 of such year.

Committee Rules

Adoption of written rules

2. (a) Each standing committee of the House shall adopt written rules governing its procedure. Such rules –

(1) shall be adopted in a meeting which is open to the public unless the committee, in open session and with a quorum present, determined by roll call vote that all or part of the meeting on that day is to be closed to the public;

(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House; and

(3) shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

Each committee's rules specifying its regular meeting days, and any other rules of a committee which are in addition to the provisions of this clause, shall be published in the Congressional Record not later than thirty days after the committee is elected in each odd-numbered year. Each select or joint committee shall comply with the provisions of this paragraph unless specifically prohibited by law.

Regular meeting days

(b) Each standing committee of the House shall adopt regular meeting days, which shall be not less frequent than monthly, for the conduct of its business. Each such committee shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted by the committee.

Additional and special meetings

(c)(1) The Chairman of each standing committee may call and convene, as he or she considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(2) If at least three members of any standing committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Vice chairman or ranking majority member to preside in absence of chairman

(d) The member of the majority party on any standing committee or subcommittee thereof ranking immediately after the chairman shall be vice chairman of the committee or subcommittee, as the case may be, and shall preside at any meeting during the temporary absence of the chairman. If the chairman and vice chairman of the committee or subcommittee are not present at any meeting of the committee or subcommittee, the ranking member of the majority party who is present shall preside at that meeting.

Committee records

(e)(1) Each committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a roll call vote is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(2) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records in the Committee on Standards of Official Conduct respecting the conduct of any Member, officer, or employee of the House, no Member of the House (other than a member of such committee) shall have access thereto without the specific, prior approval of the committee.

(3) Each committee shall include in its rules standards for availability of records of the committee delivered to the Archivist of the United States under rule XXXVI. Such standards shall specify procedures for orders of the committee under clause 3(b)(3) and clause

4(b) of rule XXXVI, including a requirement that nonavailability of a record for a period longer than the period otherwise applicable under that rule shall be approved by vote of the committee.

Proxies

(f) No vote by any member of any committee or subcommittee with respect to any measure or matter may be cast by proxy unless such committee, by written rule adopted by the committee, permits voting by proxy and requires that the proxy authorization shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Open meetings and hearings

(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by each committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of Rule XI; or

(B) may vote to close the hearing, as provided in clause 2(k)(5) of Rule XI.

No Member may be excluded from nonparticipatory attendance at any hearing of any committee or subcommittee, with the exception of the Committee on Standards of Official Conduct, unless the House of Representatives shall by majority vote authorize a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subparagraph for closing hearings to the public: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing except that the Committee on Appropriations, the Committee on Armed Services, and the Permanent Select Committee on Intelligence and the subcommittees therein may, by the same procedure, vote to close up to five additional consecutive days of hearings.

(3) Each committee of the House (except the Committee on Rules) shall make public announcement of the date, place and subject matter of any committee hearing at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

(4) Each committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by any committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this clause; except that a point of order on that ground may be made by any member of the committee which reported the measure if, in the committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(6) The preceding provisions of this paragraph do not apply to the committee hearings which are provided for by clause 4(a)(1) of Rule X.

Quorum for taking testimony and certain other action

(h)(1) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence which shall be not less than two.

(2) Each committee (except the Committee on Appropriations, the Committee on the Budget, and the Committee on Ways and Means) may fix the number of its members to constitute a quorum for taking any action other than the reporting of a measure or recommendation which shall be not less than one-third of the members.

Prohibition against committee meetings during five-minute rule and during joint sessions and joint meetings

(i)(1) No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on House Administration, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule. For purposes

of this subparagraph special leave will be granted unless 10 or more Members object.

(2) No committee of the House may sit during a joint session of the House and Senate or during a recess when a joint meeting of the House and Senate is in progress.

Calling and interrogation of witnesses

(j)(1) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity voluntarily to appear as a witness, and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Committee procedures for reporting bills and resolutions

(l)(1)(A) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring a matter to a vote.

(B) In any event, the report of any committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subdivision does not apply to the reporting of a regular appropriation bill by the Committee on Appropriations prior to compliance with subdivision (C) and does not apply to a report of the Committee on Rules with respect to the rules, joint rules, or order of business of the House or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(2)(A) No measure or recommendation shall be reported from any committee unless a majority of the committee was actually present.

(B) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a)(1) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such

findings and recommendations during the committee's deliberations on the measure.

(4) Each report of a committee on each bill or joint resolution of a public character reported by such committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(5) If, at the time of approval of any measure or matter by any committee, other than the Committee on Rules, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(A) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(B) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3)) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a committee print unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(ii) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(6) A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day, excluding Saturdays, Sundays, and legal holidays on which the report of that committee upon that measure or matter has been available to the Members of the House, or as provided by section 305(a)(1) of the Congressional Budget Act of 1974 in the case of a concurrent resolution on the budget: *Provided, however,* That it shall always be in order to call up for consideration, notwithstanding the provisions of clause 4(b), Rule XI, a report from the Committee on Rules specifically providing for the consideration of a reported measure or matter notwithstanding this restriction. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

(7) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any member of the committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if that committee has duly authorized that member to offer that motion.

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary.

The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (1)(B) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of committee funds for travel

(n)(1) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities; however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds, including those authorized under clause 5,

shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(A) No member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the Member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the Member or employee during that day.

(B) Each member or employee of the committee shall make to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than sixty days following the completion of travel with the chairman of the committee for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(2) In carrying out the committee's activities outside of the United States in any country where local currencies are unavailable, a member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual unreimbursed expenses (other than for transportation) incurred, by the member or employee during any day.

(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside of the United States unless the member or employee has actually paid for the transportation.

(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of Rule I, clause 1(b) of this rule, or any other provision of these Rules of the House of Representatives.

(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a member of any committee after—

(A) the date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

(B) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

Broadcasting of Committee Hearings

3. (a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee, or any Member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this

clause: *Provided, however,* Each committee or subcommittee chairman shall determine, in his discretion, the number of television and still cameras permitted in a hearing or meeting room.

(f) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provisions to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) The allocation among the television media of the positions of the number of television cameras permitted by a committee or subcommittee chairman in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall operate from fixed positions but shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) In the allocation of the number of still photographers permitted by a committee or subcommittee chairman in a hearing or meeting room, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If requests are made by more of the media than will be permitted by a committee or subcommittee chairman for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Privileged Reports and Amendments

4. (a) The following committees shall have leave to report at any time on the matters herein stated, namely: The Committee on Appropriations—on general appropriation bills and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year; the Committee on the Budget—on the matters required to be reported by such committee under Titles III and IV of the Congressional Budget Act of 1974; the Committee on House Administration—on enrolled bills, contested elections, and all matters referred to it of printing for the use of the House or the two Houses, and on all matters of expenditure of the contingent fund of the House, and on all matters relating to preservation and availability of noncurrent records of the House under rule XXXVI; the Committee on Rules—on rules, joint rules, and the order of business; and the Committee on Standards of Official Conduct—on resolutions recommending action by the House of Representatives with respect to an individual Member, officer, or employee of the House of Representatives as a result of any investigation by the committee relating to the official conduct of such Member, officer, or employee of the House of Representatives.

(b) It shall always be in order to call up for consideration a report from the Committee on Rules on a rule, joint rule, or the order of business (except it shall not be called up for consideration on the same day it is presented to the House, unless so determined by a vote of not less than two-thirds of the Members voting, but this provision shall not apply during the last three days of the session), and, pending the consideration thereof, the Speaker may entertain one motion that the House adjourn; but after the result is announced the Speaker shall not entertain any other dilatory motion until the report shall have been fully disposed of. The Committee on Rules shall not report any rule or order which provides that business under clause 7 of Rule XXIV shall be set aside by a vote of less than two-thirds of the Members present; nor shall it report any rule or order which would prevent the motion to recommit from being made as provided in clause 4 of Rule XVI.

(c) The Committee on Rules shall present to the House reports concerning rules, joint rules, and order of business, within three legislative days of the time when the bill or resolution involved is ordered reported by the committee. If any such rule or order is not considered immediately, it shall be referred to the calendar and, if not called up by the Member making the report within seven legislative days thereafter, any member of the Rules Committee may call it up as a question of privilege (but only on the day after the calendar day on which such Member announces to the House his intention to do so) and the Speaker shall recognize any member of the Rules Committee seeking recognition for that purpose. If the Committee on Rules makes an adverse report on any resolution pending before the committee, providing for an order of business for the consideration by the House of any public bill or joint resolution, on days when it shall be in order to call up motions to discharge committees it shall be in order for any Member of the House to call up for consideration by the House such adverse report, and it shall be in order to move the adoption by the House of such resolution adversely reported notwithstanding the adverse report of the Committee on Rules, and the Speaker shall recognize the Member seeking recognition for that purpose as a question of the highest privilege.

(d) Whenever the Committee on Rules reports a resolution repealing or amending any of the Rules of the House of Representatives or part thereof it shall include in its report or in an accompanying document—

(1) the text of any part of the Rules of the House of Representatives which is proposed to be repealed; and

(2) a comparative print of any part of the resolution making such an amendment and any part of the Rules of the House of Representatives to be amended, showing by an appropriate typographical device the omissions and insertions proposed to be made.

Committee Expenses

5. (a) Whenever any committee, commission or other entity (except the Committee on Appropriations and the Committee on the Budget) is to be granted authorization for the payment, from the contingent fund of the House, of its expenses in any year, other than those expenses to be paid from appropriations provided by statute, such authorization initially shall be procured by one primary expense resolution for the committee, commission or other entity providing funds for the payment of the expenses of the committee, commission or other entity for that year from the contingent fund of the House. Any such primary expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of the funds to be provided to the committee, commission or other entity under the primary expense resolution for all anticipated activities and programs of the committee, commission or other entity; and

(2) to the extent practicable, contain such general statements regarding the estimated foreseeable expenditures for the respective anticipated activities and programs of the committee, commission or other entity as may be appropriate to provide the House with basic estimates with respect to the expenditure generally of the funds to be provided to the committee, commission or other entity under the primary expense resolution.

(b) After the date of adoption by the House of any such primary expense resolution for any such committee, commission or other entity for any year, authorization for the payment from the contingent fund of additional expenses of such committee, commission or other entity in that year, other than those expenses to be paid from appropriations provided by statute, may be procured by one or more supplemental expense resolutions for that committee, commission or other entity as necesssary. Any such supplemental expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of additional funds to be provided to the committee, commission or other entity under the supplemental expense resolution and the purpose or purposes for which those additional funds are to be used by the committee, commission or other entity; and

(2) state the reason or reasons for the failure to procure the additional funds for the committee, commission or other entity by means of the primary expense resolution.

(c) The preceding provisions of this clause do not apply to—

(1) any resolution providing for the payment from the contingent fund of the House of sums necessary to pay compensation for staff services performed for, or to pay other expenses of, any committee, commission or other entity at any time from and after the beginning of any year and before the date of adoption by the House of the primary expense resolution providing funds to pay the expenses of that committee, commission or other entity for that year; or

(2) any resolution providing in any Congress, for all of the standing committees of the House, additional office equipment, airmail and special delivery postage stamps, supplies, staff personnel, or any other specific item for the operation of the standing committees, and containing an authorization for the payment from the contingent fund of the House of the expenses of any of the foregoing items provided by that resolution, subject to and until enactment of the provisions of the resolution as permanent law.

(d) From the funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions—

(1) The chairman of each standing subcommittee of a standing committee of the House is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority party member of each standing subcommittee on each standing committee of the House is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) For the purpose of this paragraph, (A) there shall be no more than six standing subcommittees of each standing committee of the House, except for the Committee on Appropriations, and (B) no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairman and ranking minority party members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under clause 6 of Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(e) No primary expense resolution or additional expense resolution of a committee may provide for the payment or reimbursement of expenses incurred by any member of the committee for travel by the member after the date of the general election of Members in which the Member is not elected to the succeeding Congress, or in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

(f)(1) For continuance of necessary investigations and studies by—

(A) each standing committee and select committee established by these rules; and

(B) except as provided in subparagraph (2), each select committee established by resolution;

there shall be paid out of the contingent fund of the House such amounts as may be necessary for the period beginning at noon on January 3 and ending at midnight on March 31 of each year.

(2) In the case of the first session of a Congress, amounts shall be made available under this paragraph for a select committee established by resolution in the preceding Congress only if—

(A) a reestablishing resolution for such select committee is introduced in the present Congress; and

(B) no resolution of the preceding Congress provided for termination of funding of investigations and studies by such select committee at or before the end of the preceding Congress.

(3) Each committee receiving amounts under this paragraph shall be entitled, for each month in the period specified in subparagraph (1), to 9 percentum (or such lesser percentum as may be determined by the Committee on House Administration) of the total annualized amount made available under expense resolutions for such committee in the preceding session of Congress.

(4) Payments under this paragraph shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, except as provided in subparagraph (5), and approved by the Committee on House Administration.

(5) Notwithstanding any provision of law, rule of the House, or other authority, from noon on January 3 of the first session of a Congress, until the election by the House of the committee involved in that Congress, payments under this paragraph shall be made on vouchers signed by—

(A) the chairman of such committee as constituted at the close of the preceding Congress; or

(B) if such chairman is not a Member in the present Congress, the ranking majority party member of such committee as constituted at the close of the preceding Congress who is a Member in the present Congress.

(6)(A) The authority of a committee to incur expenses under this paragraph shall expire upon agreement by the House to a primary expense resolution for such committee.

(B) Amounts made available under this paragraph shall be expended in accordance with regulations prescribed by the Committee on House Administration.

(C) The provisions of this paragraph shall be effective only insofar as not inconsistent with any resolution, reported by the Committee on House Administration and adopted after the date of adoption of these rules.

Committee Staffs

6. (a)(1) Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, each standing committee may appoint, by majority vote of the committee, not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the chairman and the ranking minority party member of such committee, as the committee considers advisable.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct and the Permanent Select Committee on Intelligence) so request, not more than six persons may be selected, by majority vote of the minority party members, for appointment by the committee as professional staff members from among the number authorized by subparagraph (1) of this paragraph. The committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the professional staff until such appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

(3) The professional staff members of each standing committee—

(A) shall not engage in any work other than committee business during congressional working hours; and

(B) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of each standing committee may be terminated by majority vote of the committee.

(5) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and to the Committee on the Budget and the provisions of subparagraphs (3) (B) and (C) do not apply to the Committee on Rules.

(b)(1) The clerical staff of each standing committee shall consist of not more than twelve clerks, to be attached to the office of the chairman, to the ranking minority party members, and to the professional staff, as the committee considers advisable. Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, the clerical staff shall be appointed by majority vote of the committee. Except as provided by subparagraph (2) of this paragraph the clerical staff shall handle committee correspondence and stenographic work both for the committee staff and for the chairman and the ranking minority party member on matters related to committee work.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct and the Permanent Select Committee on Intelligence) so request, four persons may be selected, by majority vote of the minority party members, for appointment by the committee to positions on the clerical staff from among the number of clerks authorized by subparagraph (1) of this paragraph. The committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members, may select other persons for appointment by the committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party members of the committee and for any members of the professional staff appointed under subparagraph (2) of paragraph (a) of this clause on matters related to committee work.

(3) Services of the clerical staff members of each standing committee may be terminated by majority vote of the committee.

(4) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and the Committee on the Budget.

(c) Each employee on the professional, clerical and investigating staff of each standing committee shall be entitled to pay at a single gross per annum rate, to be fixed by the chairman, which does not exceed the maximum rate of pay, as in effect from time to time, under applicable provisions of law.

(d) Subject to appropriations hereby authorized, the Committee on Appropriations and the Committee on the Budget may appoint such staff, in addition to the clerk thereof and assistants for the minority, as it determines by majority vote to be necessary, such

personnel, other than minority assistants, to possess such qualifications as the committee may prescribe.

(e) No committee shall appoint to its staff any experts or other personnel detailed or assigned from any department or agency of the Government, except with the written permission of the Committee on House Administration.

(f) If a request for the appointment of a minority professional staff member under paragraph (a), or a minority clerical staff member under paragraph (b), is made when no vacancy exists to which that appointment may be made, the committee nevertheless shall appoint, under paragraph (a) or paragraph (b), as applicable, the person selected by the minority and acceptable to the committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party members shall designate which of those persons shall fill that vacancy.

(g) Each staff member appointed pursuant to a request by minority party members under paragraph (a) or (b) of this clause, and each staff member appointed to assist minority party members of a committee pursuant to an expense resolution described in paragraph (a) or (b) of clause 5, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of committee records.

(h) Paragraphs (a) and (b) of this clause shall not be construed to authorize the appointment of additional professional or clerical staff members of a committee pursuant to a request under either of such paragraphs by the minority party members of that committee if six or more professional staff members or four or more clerical staff members, provided for in paragraph (a)(1) or paragraph (b)(1) of this clause, as the case may be, who are satisfactory to a majority of the minority party members, are otherwise assigned to assist the minority party members.

(i) Notwithstanding paragraphs (a)(2) and (b)(2), a committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the members of the majority party and a majority of the members of the minority party.